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## Madrid May Miss EC Date

### Ministers Fail To Agree to Key Terms for Entry

Reuters

BRUSSELS — European Community diplomats said Tuesday that negotiations are for the first time taking seriously the possibility that Spain may not be able to enter the Common Market by the target date of Jan. 1, 1986.

Speaking after a fruitless attempt Monday by community foreign ministers to agree on key terms for Spanish entry, they said that France had proposed an informal conference of foreign ministers to try to even out the issues that divide them. But no further strategy decisions had been reached.

Portugal, also due to join the community at the start of 1986, faces fewer problems.

The diplomats said negotiations with Lisbon, although difficult, had progressed more smoothly.

The European Commission president, Gaston Thorn, asked ministers Monday to consider whether Portuguese entry should go ahead separately if negotiations with Spain are not completed on schedule, the diplomats said.

Sept. 30 was the now apparently unrealistic deadline for agreeing on entry terms with the two countries. Most governments would be happy if the negotiations were completed before the end of the year.

Ministers complained in private that they were not getting clear enough signals from Madrid about Spanish wishes.

Diplomats said they considered whether Madrid and Lisbon ministers could be invited to the special foreign ministers' session proposed by the French but the whole question was put off until the next round of negotiations due on Sept. 17.

Meanwhile, in Madrid the Spanish prime minister, Felipe Gonzalez, announced plans to visit Ireland Sept. 20, which means he will not visit every EC member state except Britain for talks on his country's E.C. entry.

The Irish foreign minister, Peter Barry, who is the community's current president, has blamed the delays in achieving entry terms on inflexibility on both sides. But the main trouble is within the 10-member community, its diplomats said.

One said the bloc was simply unable to disentangle the complex issues involved, even those that affect the working of the group as it stands.

The dispute over Spanish entry terms reflected the widening North-South division in the community between industrial societies and the more agrarian-based Mediterranean states.

Diplomats said the idea of an informal meeting of foreign ministers was gaining ground, because it would enable members to tackle the conflict at a deeper level, aside from their technical concerns over such matters as wine, fisheries and olive oil.

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BUSINESS/FINANCE  
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Black demonstrators setting a store afire in Evaton, South Africa, on Monday.

## South Africa Calls Out Some Troops As Death Toll From Rioting Hits 26

By Alan Cowell

New York Times Service

SHARPEVILLE, South Africa — South African authorities said Tuesday they had called in army units to guard government offices after a wave of rioting, looting and arson in black townships near Sharpeville on Monday.

The unrest, among the worst since uprisings in 1976, is now estimated by police to have claimed at least 26 lives following the discovery Tuesday of 12 bodies, some of them bearing the marks of strangulation and others burned.

By mid-evening, police officials in this township said they believed

they had brought the worst of the troubles under control. The affected area, roughly 40 miles (64 kilometers) south of Johannesburg, centers on Sharpeville, where 69 people died in unrest in 1960 that has since become a symbol of black resistance to white rule in South Africa.

By late afternoon in the nearby townships of Evaton and Sebokeng, large groups of black youths had gathered at the township entrances next to barricades of rocks. Nonblack people who approached were threatened with stoning.

Night descended on the flickering of fires in shops and liquor stores that were looted and put to

the torch in Evaton and Sebokeng. Police in the townships, traveling in heavily armored trucks and clad in camouflage riot gear, sprayed tear gas and rubber bullets to try to disperse looters earlier Tuesday but then withdrew.

The streets of Sharpeville were still littered Tuesday night with rocks and barricades made of garbage cans and uprooted traffic signs.

Officials at the Vaal Administration Board, a government agency responsible for administering black townships in this industrial and mining area, said they had called on the army to protect government offices near one township.

Police denied that the army had been deployed and a military spokesman in Pretoria declined comment. Witnesses said, however, that about 200 soldiers in combat gear had been assigned to protect administration offices near Sebokeng but had not entered the area. They were later withdrawn, the witnesses said.

South Africa is dotted with thousands of settlements allocated to black people under apartheid legislation enforcing the separation by race of residential areas. The townships generally are a strategic distance from white areas so the latest unrest has not spilled beyond the black areas.

Obviously, the surge of violence has been provoked by rent increases in townships around here. The unrest has coincided with the inauguration of a new constitution in South Africa, under which people of Indian and mixed racial descent will sit for the first time in a racially segregated three-chamber Parliament. The black majority of nearly 22 million in a country of about 28 million people is excluded from what the authorities call the reforms.

The black violence followed high abstention rates in nonwhite voting for the new Parliament, police baton charges at some polling booths and the detention of leading opponents of the new constitution.

In Sebokeng and adjoining Evaton, thousands of looters poured into the streets on Tuesday, snatching liquor and cornmeal, a food staple, from abandoned stores.

Once the looted supplies run out, police officials said, there will be little for the townships to live on. However, the unrest has provoked other concerns. Soweto, home to up to two million people, is also due for rent increases.

■ **Parliament Sworn In**  
Members of the country's first multiracial Parliament were sworn in Tuesday. Reuters reported from Cape Town. The members took their oaths in separate chambers.

Under the new parliamentary system, the chambers for Indians and coloreds — people of mixed races — will pass laws affecting their communities.

## Honecker Puts Off Bonn Visit; Diplomats Cite Soviet Pressure

By James M. Markham

New York Times Service

BONN — Apparently bowing to stiff Soviet pressure, Erich Honecker, the East German Communist Party chief, put off Tuesday a visit to West Germany that had been expected at the end of this month.

The trip would have been the first to West Germany by an East German Communist Party leader, and it could have consolidated a warming trend between the two Germanys that has intensified despite strained relations between Moscow and Washington.

Ewald Mollath, the head of East Germany's diplomatic mission in Bonn, disclosed the decision after a two-hour meeting with Philipp Jenninger, a senior aide to Chancellor Helmut Kohl.

"One can assume that the date that was in mind for the visit is now no longer realistic," he said in a statement.

Without being specific, the statement complained about recent declarations by West German politicians that, it said, had been "unfriendly" and "detrimental" to the visit and "absolutely unusual in the relations between sovereign states."

On Aug. 25 the East German press hinted at a postponement by denouncing Alfred Dregger, the floor leader of the governing Christian Democratic Party, for asserting that West Germany's future did not depend on "whether Mr. Honecker pays us the honor of a visit."

It also has chastised the conservative Springer newspaper chain, which has printed articles critical of the East German leader.

Although the statement Tuesday blamed West Germans for sabotag-

ing the visit, officials and Western diplomats in Bonn were unanimous in viewing Mr. Honecker as having yielded to intense pressure from the Soviet Union.

"The reality is that Big Brother said, 'Don't,'" commented one senior Western diplomat who has extensive knowledge of the Soviet bloc. "Everybody in Eastern Europe has limited sovereignty, but some people have sovereignty that is more limited than others."

While denouncing the supposedly "revanchist" Kohl government, the Soviet press in the last month also has upbraided Mr. Honecker for attempting to limit the damage to East-West relations in the wake of the deployment of U.S. medium-range missiles in Western Europe.

As early as last spring, East German officials spoke privately of Soviet pressure to reconsider the trip.

East German diplomats hastened to stress Tuesday that the five-day visit, which was to have started on Sept. 26, had been postponed, not canceled, but a Bonn official said that Mr. Jenninger and Mr. Mollath had not discussed a new date.

In April 1983 Mr. Honecker similarly postponed a projected trip just as the Soviet Union was gearing up its propaganda campaign against the U.S. missile deployment.

Mr. Jenninger, who handles ties with East Berlin, issued a statement regretting Mr. Honecker's decision, noting pointedly that Bonn planned contacts this autumn with a number of leading politicians from other Warsaw Pact countries.

President Todor Zhivkov of Bulgaria is expected in Bonn on Sept. 20 and President Nicolae

Ceausescu of Romania is to make an official visit next month.

Mr. Jenninger said that the government "cannot accept" the assertion that Mr. Honecker's visit was postponed because of a public debate in West Germany. "The Federal Republic of Germany is a country in which anyone is free to express his opinion," he said.

The West German official noted that Bonn had accepted East German suggestions for the timing and details of the sojourn and that Mr. Honecker would have been able to enjoy "all elements of an official visit," including a reception by President Richard von Weizsäcker.

The postponement was an embarrassment for Mr. Kohl, whose center-right coalition has fallen into another round of bickering over domestic issues. Many politicians believed that the visit might have given the coalition some luster as the new political season begins.

In Düsseldorf, Mr. Kohl said that he hoped after the U.S. election in November to intensify contacts with Eastern Europe. "There is no question that the talks will go on," he insisted. In similar tones, Foreign Minister Hans-Dietrich Genscher said that ties between the two Germanys must be protected and that "dialogue and cooperation must be continued."

Western diplomats said the postponement was an even more severe embarrassment for Mr. Honecker, who increasingly must govern keeping in mind the wishes of his population.

The rapprochement with West Germany is extremely popular in East Germany. Coming after the deeply resented Soviet-led boycott of the Olympic Games, the scuttling of the visit is not expected to enhance Mr. Honecker's standing

at home as an autonomous political figure.

"He's been put in his place all around," commented one Western diplomat. "He is by no means a Ceausescu who can stand up to Soviet pressure. But he does have a Nixon wish to go down in the history books, and before his life is over he wants to make this trip."

■ **Silence From Moscow**  
Sergei Schennikov of the New York Times reported from Moscow: The Soviet press took no notice Tuesday of the postponing of Mr. Honecker's visit, just as it had not reported his plans to make the trip to begin with.

But after a fierce two-month campaign against West German "revanchism" whose real target, most analysts believed, was the proposed visit, diplomats said there was little doubt of satisfaction in the Kremlin at the success in bringing its most important East European ally in line.

The diplomats presumed that the Soviet leadership had become irritated at a display of independence in East-West dealings by the East German leader at a time when the Kremlin was calling for a united cold front and more intra-bloc trading.

■ **Czech Attack on Kohl**  
The Czechoslovak Communist Party newspaper, Rude Pravo, attacked Mr. Kohl on Tuesday. United Press International reported from Prague.

The paper said that Mr. Kohl supported rightist West German factions that wanted to reconquer territory lost in World War II. It said he had appeared at a "revanchist" rally in the town of Braunau, "in sharp contrast with his statements that no revanchism exists" in West Germany.

## Polling Heavy In Canadian National Vote

The Associated Press

TORONTO — A strong voter turnout was reported Tuesday as Canadians elected a new federal government. The Progressive Conservatives, led by Brian Mulroney, were heavily favored to defeat the ruling Liberal Party of Prime Minister John Turner.

Mr. Mulroney, who promised to revive the Canadian economy and improve relations with the United States, cast his ballot at the school he attended in the isolated town of Baie Comeau, Quebec.

Mr. Turner, who has been in office only since June 30, when his fellow Liberal, Pierre Elliott Trudeau, stepped down, finished the campaign in Vancouver, where he was a candidate for Parliament.

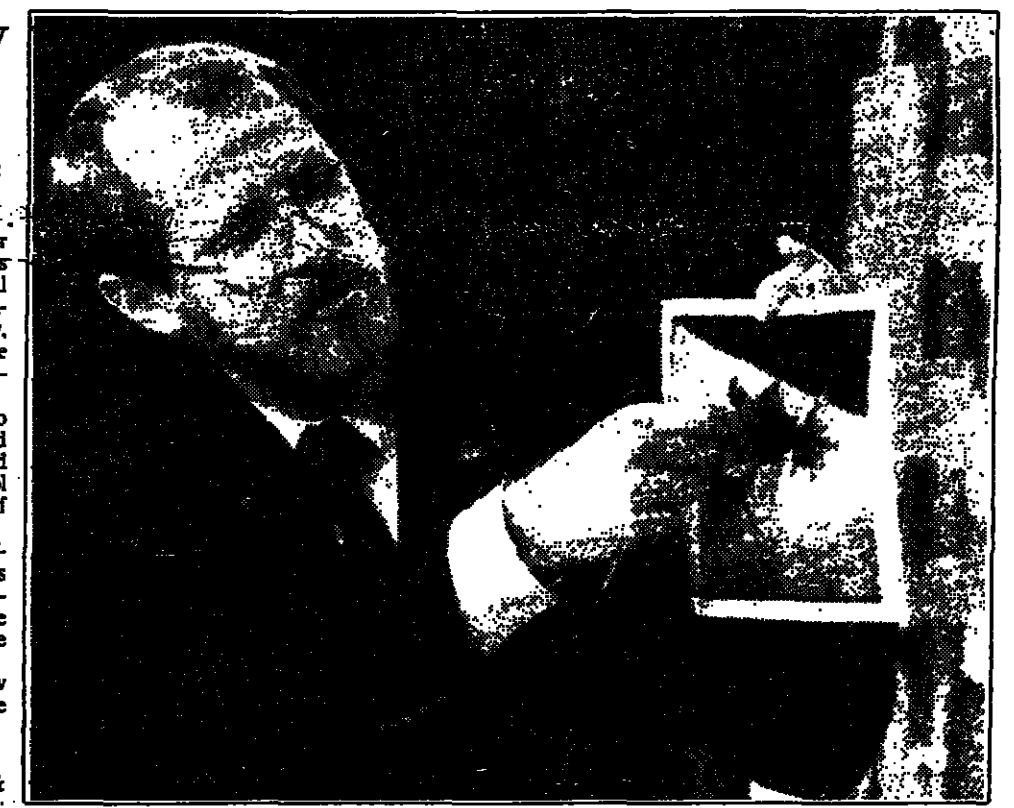
Ed Broadbent, leader of the New Democratic Party, voted in the Oshawa, Ontario, district.

■ **Tories Confident**  
Douglas Martin of The New York Times reported earlier from Ottawa: Overconfidence appeared to be the principal worry of the Progressive Conservatives as they waited for the results of what might be the biggest political victory for any Canadian party since 1958, when John Diefenbaker, a Tory, won 208 of 265 seats.

An Aug. 27 letter from Mr. Mulroney to financial backers speaks of a victory already won and has been drawing Liberal fire.

A Gallup Poll made public over the weekend showed the Progressive Conservatives with 50 percent, to 28 percent for the Liberals and 19 percent for the New Democrats. The rest were undecided or had no preference.

Most of the analyses in the press suggested that Mr. Turner, who resigned as finance minister in 1975 to pursue a career as a corporate lawyer, had been out of politics too long.



Randy Stone, flight director for Discovery, explains efforts to dislodge ice from the craft.

## Shuttle Crew Uses Robot Arm to Clear Ice Block, Prepares to Return to Earth

By Lee Dye

Los Angeles Times Service

HOUSTON — The crew of the U.S. space shuttle Discovery used the craft's robot arm Tuesday to knock off a ragged chunk of ice, clearing the way for Wednesday's landing at Edwards Air Force Base in the Mojave Desert of California.

Discovery was scheduled to land at 9:38 A.M. EDT, ending a six-day mission that the National Aeronautics and Space Administration described as "100-percent successful."

The only serious problem in the mission, once the Discovery was finally launched, came in the form of a chunk of ice that posed an uncertain threat to the safety of the crew. It also restricted use of the shuttle's toilet, forcing the astronauts to use plastic bags.

The piece of ice was about 15 inches (38 centimeters) long. It had formed around a nozzle used to pump waste water. Engineers were concerned that the ice might break off during re-entry and crash into the vehicle.

A smaller piece of ice was blamed for damage to an engine housing during re-entry of the shuttle Challenger earlier this year. The housing had to be removed and repaired.

NASA had tried a series of maneuvers to dislodge the ice before resorting to the robot arm. Engineers were concerned that the tip of the arm, which could not be seen during the operation, might damage the wing of the craft, 12 inches below the ice.

The maneuvers included jerking the ship around by using the main maneuvering jets in the hope of breaking the ice, but early Tuesday Dr. Judith A. Resnik radioed the Johnson Space Center in Houston: "We had no joy on breaking it loose."

That meant that short of sending crewmen outside to chip it off, the only choice was to try and knock it off with the 50-foot (15-meter) mechanical arm.

Discovery's commander, Henry W. Hartsfield Jr., maneuvered the

arm to the ice and tapped it off. Moments later, Dr. Resnik radioed: "We can see the chunk floating by at this very moment."

The performance of the mechanical arm nearly upstaged the mission's main spectacle, an array of solar equipment that stuck out of the cargo bay as high as a 10-story building. NASA, which wanted to find out if a collapsible structure could withstand the rigors of space, pronounced the experiment a total success.

"We can lay aside any fears we may have had about the dynamics of a solar array," said Robert McAnnally, the project director. "This has been a real success all the way for us."

The shuttle was put through a series of maneuvers with the solar equipment extended to see if the structure was strong enough. Mr. McAnnally said that engineers had expected the device to move up to 14 inches when the shuttle was rolled back and forth, "but the fluctuations were somewhat less than we had expected them to be."

That means the structure itself would be strong enough to serve as a platform for solar cells that would turn sunlight into electricity for future space operations, he said. One probable application would be for the permanent space station that the Reagan administration wants to build.

The other members of the crew are Commander Michael J. Coats, the pilot, Dr. Steven A. Hawley, Lieutenant Colonel Richard M. Mullane, and Charles D. Walker, an engineer with McDonnell Douglas Corp., who is NASA's first commercial passenger.

## Qadhafi Role Seen in Plot to Take Over Mecca's Grand Mosque

By David B. Ottaway

Washington Post Service

TRIPOLI, Libya — A plan for armed Libyan pilgrims to take over the Grand Mosque in Mecca by force was almost certainly instigated by the Libyan leader, Colonel Moammar Qadhafi, in the opinion of diplomatic sources here.

In a speech Sept. 1 marking his 15th year of rule, Colonel Qadhafi said he had first learned about the plan after receiving urgent messages that morning from King Fahd of Saudi Arabia, King Hassan II of Morocco and Syrian authorities. He appealed to the Libyans to call it off and cooperate with Saudi authorities to assure a peaceful end to the mounting pilgrimages season.

Sources here, however, said Colonel Qadhafi deliberately incited the pilgrims to take some such action in a speech he gave to a special "people's congress" on Aug. 31. They did not know whether he had specifically urged the takeover of the mosque then or simply exhorted them to use the pilgrimages as an occasion to spread his own revolutionary ideas and set up people's congresses there. People's congresses are self-governing assemblies set up by Libyans both at home and abroad.

But the sources said it was inconceivable that the

Libyan pilgrims could have carried out on their own initiative a political act so inflammatory for Saudi Arabia and the whole Islamic world as the seizure of Islam's holiest shrine.

They point to the Libyan attempt to infiltrate arms into Saudi Arabia at the same time and the presence among the pilgrims of "diplomats" and members of the "revolutionary committees" under Colonel Qadhafi's direct command as additional evidence of his involvement in planning the takeover.

"There is no doubt Colonel Qadhafi gave the order," one diplomat said.

Sources here said the plan apparently was to infiltrate arms for as many as 800 Libyans who were to act as the spearhead of the operation, which would have been disguised as the setting up of a people's congress inside the mosque.

The plan was apparently thwarted when Saudi airport security officials found arms on some of the pilgrims, who arrived aboard two Libyan planes Aug. 18. They then became suspicious about the contents of about 30 boxes the pilgrims were trying to bring into the country with them.

Had the seizure of the Grand Mosque been carried out, it might have provoked a major political crisis for King Fahd and the Saudi monarchy and ended in a bloody confrontation like the one between Saudi

forces and several hundred Islamic extremists who took refuge in the mosque in 1979.

The plan raises questions about the intent of Colonel Qadhafi's present overtures to the Arab world's most conservative rulers, including a union with Morocco and a yearlong effort to improve Libya's relations with King Fahd.

Why Colonel Qadhafi decided to mention the pilgrims' plan in his Sept. 1 speech is not known, but he appeared to be presenting himself at that point as the reasonable statesman anxious to help the Saudi authorities.

By that time it was apparent that the Saudis and others already knew something was afoot and had taken action to prevent it. In addition, in the view of observers here, Colonel Qadhafi presumably came under strong pressure from King Fahd, King Hassan and one of his few close Arab allies, President Hafez al-Assad of Syria.

According to accounts available in Tripoli, a number of Libyans aboard the two planes that arrived in Saudi Arabia on Aug. 18 carried diplomatic passports and refused to allow Saudi customs to inspect the 20 boxes, claiming diplomatic immunity. The Saudis then refused to allow the Libyans to enter and the plane with the unopened boxes returned to Libya.

At about the same time, two Libyan ferries, the

Granada and Toledo, arrived, also filled with pilgrims. The Saudis again insisted on searching the pilgrims and ships but the Libyans once more refused and were denied entry. Many of the people aboard the two planes and ships are suspected by sources here of being members of Libyan revolutionary committees sent to lead the seizure of the Grand Mosque.

The committees are the backbone of Colonel Qadhafi's political system. Since a rebel attack May 8 on his headquarters in Tripoli, they have taken on enormous power as the regime's main security force as well. Their members also operate abroad on such assignments as attacking Colonel Qadhafi's political enemies.

Like Iran's Ayatollah Ruhollah Khomeini, Colonel Qadhafi is known to believe that the annual pilgrimages of Muslims should not be just a religious event but should be the occasion for political demonstrations. During the last five years, Saudi police have clashed with Shiite pilgrims coming from Iran and holding pro-Khomeini rallies in Mecca.

Until recently, Colonel Qadhafi was as vehement in his denunciations of the Saudi monarchy and its close ties with the United States as were Ayatollah Khomeini and other Iranian religious leaders. He has often spoken of the need to "liberate" the kingdom and the holy places from American influence.

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## Poland Is Considering Expelling Dissidents For Repeated Offenses

**WARSAW** — Poland is considering enforced exile for political foes who continue to oppose the Communist government, the government spokesman, Jerzy Urban, said Tuesday.

Sources described the disclosure as a clear warning to Solidarity union activists who have been seeking ways to keep alive opposition to the government since their recent release from prison under an amnesty.

While Mr. Urban cautioned, "I do not say that this will take effect or that it will be necessary," he said at a news conference that government lawyers were studying the possibility of "expulsion from Poland for repeated and consistent infringement of the constitution or the legal system."

The measures could lead to the "exiling of certain people for a number of years," he said.

He did not identify those who risked deportation. Sources, however, said it could apply to dissident intellectuals such as Jack Kuron and Adam Michnik, who have been in and out of jail for 15 years for their opposition to the regime, or even to the leader of the banned Solidarity free trade union, Lech Walesa.

Forced exile would be a break with Polish tradition under Communist rule although the Soviet Union has expelled some of its prominent dissidents, including Alexander Solzhenitsyn, the writer.

Mr. Kuron and Mr. Michnik were among 11 officials and advisers of Solidarity who were accused of plotting to topple the government but were freed under the political amnesty proclaimed in July.

All 11 refused government offers during their detention to seek voluntary asylum in the West to avoid going to trial.

Mr. Urban stressed that the Polish authorities would still have to find countries in the West that would be willing to accept dissidents obliged to leave Poland against their will. The sources said it was assumed that they would not be deported to the Soviet Union or another Communist country.

**Illegal Immigration Grows**

The West German Red Cross expressed alarm Tuesday at the rising number of Poles of German origin leaving Poland for West Germany without official exit permits. Reuters reported from Bonn.

A Red Cross statement said 2,329 ethnic Germans entered West Germany from Poland last month compared to 1,327 in August last year, but less than 10 percent had obtained official approval before leaving Poland.

A rise of illegal immigration was a potential irritation in relations between Bonn and Warsaw, according to sources dealing with the problem.

## Peres, Shamir Reported Closer to Agreement

**By James Feron**  
*New York Times Service*

**JERUSALEM** — Labor and Likud, Israel's two major political blocs, appeared Tuesday night to be close to agreement over a bipartisan government after a full day of talks.

Prime Minister Yitzhak Shamir, the Likud leader, and Shimon Peres, who heads the Labor Party, were reported to have scheduled a private meeting for Wednesday. A state television commentator said Tuesday night that an agreement could be ready by Monday.

The breakthrough in the negotiations, which had appeared to be deadlocked on Sunday, appeared to come in the form of concessions on the part of Likud over settlements in occupied Arab territories.

Reports Tuesday night by the state radio indicated the two sides agreed that settlements already approved by the previous government would be built, but that the timing would be up to the new government.

That would require a majority vote in the cabinet, making approval difficult because Likud, which favors more settlements, is divided politically over the subject while Labor is solidly in favor of halting construction.

## Crocker Promises Obote Continued U.S. Backing

**UNITED PRESS INTERNATIONAL**

**ENTEBE, Uganda** — Chester A. Crocker, U.S. assistant secretary of state for African affairs, on Tuesday pledged continued U.S. support to the government of President Milton Obote of Uganda, despite American allegations of mass murder and torture by the Ugandan Army.

Mr. Crocker and Mr. Obote met for almost four hours at State House in Entebbe on the outskirts of the capital, Kampala, to discuss recent U.S. criticism of Uganda's human rights record, according to the U.S. ambassador to Uganda, Allan Clayton Davis.

And Mr. Crocker confirmed at an airport news conference before leaving for Kenya that U.S. concern over human rights in Uganda had been thoroughly discussed. He also said the status of U.S. aid to Uganda was mentioned.

The Reagan administration now better understands the problems faced by Uganda and is willing to give its support to the Obote government, Mr. Crocker said.

"We recognize that President Obote and the government of Uganda are working to restore law and order and national unity after a long period of misrule which devastated this country and they are doing so in the context of armed dissidence," Mr. Crocker said.

"I want to stress," he added, "that U.S. bilateral relations with Uganda are important to the United States and the U.S. hopes to continue to provide forms of constructive, economic and humanitarian assistance we mutually agree is appropriate."

Mr. Crocker said he hoped continued dialogue on human rights would be a key factor in future relations between the two countries.

A U.S. official traveling with Mr. Crocker said the purpose of the unscheduled stop in Uganda was to "clearly and rectify misunderstandings" regarding U.S. criticism of Mr. Obote's government.

Relations between the two countries reached a low last month when Elliott Abrams, assistant secretary of state for human rights, told a congressional committee that the Ugandan Army had massacred 200,000 civilians in Luwero, a region 50 miles (80 kilometers) north of Kampala.

Uganda accused the United States of interfering in its internal affairs and retaliated by suspending a \$100,000 military aid agreement with the United States, recalling six army officers training at U.S. bases and banning a U.S. military attaché based in neighboring Malawi from the country.

Uganda has admitted its 15,000-man army committed excesses but claims only 15,000 civilians have died in the last three years in operations aimed at guerrillas.

Mr. Crocker was scheduled to meet with President Daniel Arap Moi of Kenya on Wednesday.

## 6 Injured as Lightning Strikes Aircraft in U.S.

**UNITED PRESS INTERNATIONAL**

**NEW YORK** — Lightning struck a Piedmont Airlines plane that had just landed at National Airport in Washington late Monday as thunderstorms swept the East Coast. Six ground crew members were injured.

The thunderstorms also forced the cancellation of a Michael Jackson concert in Philadelphia.

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**TOKYO PROTEST** — Women and children carrying banners and placards marched down a street here Tuesday night to protest a state visit starting Thursday by President Chun Doo Hwan of South Korea. Hundreds of Japanese joined Korean residents of Japan, most of them sympathetic to North Korea, in two rallies. In Seoul, about 500 South Korean students protesting the visit clashed with riot police. Among other issues, feelings still run high between the countries over Japan's often brutal 35-year colonial rule of Korea.

## Montana Fires Inflame Bad Feeling Among Locals

**Question of Blame and Out-of-State Fire Fighters Prompts Some Resentment**

**By Andrew H. Malcolm**  
*New York Times Service*

**KALISPELL, Montana** — Forest fires burned up a lot of wood and grass in this state in recent days. The flames also ignited hard feelings among some local people.

First, there was the question of blame. To avoid slandering lawsuits, in the initial chaotic and rumor-filled stages of a major blaze — Montana had eight going last week — lightning is blamed for virtually every fire.

Many times that turns out to be true. But sometimes investigators discover that it was a hot chain saw laid on the dry grass to cool or a spark from a stove, which also raises the possibility of a damage suit. With the price of fighting a large fire now up to \$250,000 a day, a person might find himself sued for costs plus the value of lost timber.

The second cause for hard feelings was jobs. U.S. agencies have trained scores of fire-fighting crews and managers all over the West. They develop their own camaraderie, their own techniques and associations, and their own lore of fire tales, some of them true. This makes a big fire, drawing crews to Montana from New Mexico, Oregon and California, something of a reunion.

It also annoys independent local people who appreciate the help but would like to be involved, especially since the drop in demand for lumber, so many are unemployed.

Emerging from their own checks of a fire's progress along the twisting dirt roads that honeycomb the forests, the local citizens spot out-of-state fire-fighting crews from 1,000 miles (1,600 kilometers) away, some of them also unemployed, people from Indian reservations where any jobs are scarce or California farm workers between harvests. They watch them consult maps to find where they are.

"I mean, don't that look silly," said a local resident, "them flying all those unemployed workers from New Mexico up here when there are lots of hands handy right here?" He had volunteered, in vain, his time and bulldozer for the battle against the vast Houghton Creek fire.

The U.S. fire fighters acknowledged the resentment. But they said that in an emergency there is no time to sift veteran local fire fighters from the inexperienced, and that the locals seem to get injured more often. Nonetheless, they do take time for local public relations work, fixing a bridge here or touching up a road there.

And federal fire fighters prevailed on the state to hire a few dozen local men for the mop-up crews that will patrol the scorched forest for months to extinguish smoldering stumps that could spark another conflagration.

"In this town," said Wayne Camp, one of the 55-an-hour PUFFs (Pick Up Fire Fighters), "when any work comes up, you gotta jump on it."

Governor Ted Schwinden raised fears in his state's tourism industry with his early description of the blazes.

"Our state literally is on fire from Glacier Park in the extreme northwest corner to the Custer Forest and the Bull Mountains in the

southeast," he said. Vivid television footage showed towering flames seeming to consume everything in sight.

Tourism already was hurt by the severity of Canadian visitors, a result of the weakness of the Canadian dollar.

Now the industry worries that next year's business will be off, with many staying away in the mistaken impression that Montana is a blackened wasteland.

But tourists need not worry. The television cameras did not focus on the many mountainsides that did not burn. The governor's description, made in a U.S. disaster aid claim, was something of an overstatement. The fires were big, but so is Montana, the nation's fourth largest state. The distance across Montana is roughly the same as that from Boston to Detroit.

Forest and grass fires may have burned 250,000 acres (about 101,000 hectares) in Montana, but that leaves 93,918,320 unburned acres.

The armed forces may keep women from front-line combat assignments, but when it comes to battling forest fires, women are in the middle of it.

They are reassigned from their normal duties in national forests all over the West. Carol Hennessey and Beth Spare were among the first to reach the Houghton Creek fire from their post in Priest Lake, Idaho.

"It's pretty exciting at times," said Miss Spare, a former Penn State student. Miss Hennessey, who usually tracks forest growth with computers, was instead digging out smoldering stumps with a pickaxe.

**Forecast Cheers Firemen**

Fire fighters, cheered by a forecast of light winds, worked Tuesday to contain the last of the fires. United Press International reported from Helena, Montana.

More than 40 houses have been destroyed by blazes.

"It looks good," said Frank Boden, deputy incident commander for the Napi Peak Fire, which was 80 percent contained Tuesday after raging over 3,400 acres of heavy timber on the Blackfoot Indian Reservation and Glacier National Park.

All other fires in Montana were contained, officials said.

## Lebanese Leaders Go to Damascus Amid Peace Pressure From Syria

**By John Kifer**  
*New York Times Service*

**BEIRUT** — Syria is bringing increasing pressure on the divided Lebanese government to make peace with itself, although no results were evident at Tuesday's cabinet meeting.

President Amin Gemayel had eight hours of talks with the Syrian leader, Hafez al-Assad, on Monday, slipping quietly into Damascus and only issuing a one-paragraph communiqué announcing the visit after he returned to Beirut in the evening.

Mr. Gemayel's major critic, the Druze chieftain, Walid Jumblat, was summoned twice to Damascus within 24 hours. He went on Sunday night, then was called back Monday night for a second meeting with Vice President Abdel Halim Khaddam, who has been mediating in Lebanese affairs.

The Shiite Moslem leader, Nabih Berri, who is the other "opposition minister" in the cabinet of "national unity," also sent a representative to Damascus to speak to Mr. Khaddam.

The talks were believed to center on linking efforts to extend the government's control beyond Beirut with political reforms, according to speculation in Beirut newspapers Tuesday. The extension of control would begin with the deployment of the army in the Druze-held Chuf mountains.

The Syrian media, however, did not mention the visits at all.

Political reform, which almost by definition would involve a lessening of power for Maronite Catholics and other Christians, is at the heart of the nearly 10 years of intermittent civil war.

Mr. Gemayel turned to Syria, against strong objections from the Christian militia leaders associated with his own Phalangist Party, after the abrupt withdrawal of U.S. support following the February takeover by Moslem militias in West Beirut and the abrogation of the U.S.-brokered agreement with Israel.

The president appeared to be moving rapidly in an attempt to consolidate his uncertain position after the death on Wednesday of his father, Pierre Gemayel, the senior Christian warlord.

The elder Mr. Gemayel had supported his son in the rapprochement with Syria and held the militia leaders in check. With him gone, there has been considerable speculation here that the hard-line militia leaders may challenge Amin Gemayel.

President Gemayel also moved to bolster his position, and at the same time challenge Mr. Jumblat, by appointing the director of the Phalangist Party's private radio station, the Voice of Lebanon, to his father's post of minister of telecommunications.

The new minister, Joseph al-Hachem, a close adviser to the president, is also the Phalangist Party leader for the Chuf region, putting him into direct contact with Mr. Jumblat. Following the Israeli invasion of Lebanon in June 1982, the Phalangists attempted to extend their control into the mountains but were driven out in heavy fighting last September.

Mr. Hachem's party responsibilities include the Kharroub region, where the mountains come down to the sea, just above Sidon, where there has been a sharp buildup of both Phalangist and Druze weaponry and several clashes in recent days. Firing was reported in the Kharroub area early Tuesday evening.

The new minister had delivered a sharp personal attack on Mr. Jumblat at a rally last week honoring Phalangist dead, calling him an "acrobat" who wanted to be both in the government and against it.

Mr. Jumblat, who holds the post of minister of tourism, missed Tuesday's cabinet meeting because he went to President Gemayel's home town of Bikfaya rather than to the presidential palace at Baabda, where the meeting was actually held.

The Druze leader has said that he will not go to meetings in Baabda because he fears assassination at the hands of the Christians, but that he believes the local code of behavior would preclude his being slain in the president's own village.

Upon hearing the meeting was in Baabda, Mr. Jumblat shrugged and drove back through Syrian lines to his own home.

## Soviet Navy Says It Can Find Missile U.S. Has Yet to Hide

**By William J. Eaton**  
*New York Times Service*

**MOSCOW** — The leading Soviet military newspaper reported Tuesday that Soviet Navy forces can be ready "at a moment's notice" to destroy U.S. submarines armed with nuclear missiles, including the recently tested Tomahawk.

U.S. naval sources expressed surprise at the report in Red Star, the official newspaper of the Defense Ministry. The Tomahawk missile, a naval source said, has not been deployed yet so it would be difficult for the Soviet Union to have targeted its mobile underwater launching pads — submarines.

"We don't know where they're going to be put ourselves, so how could they know?" the source asked.

Even so, the article said Soviet naval units could find and destroy U.S. submarines that carry Polaris, Poseidon, Trident and Tomahawk missiles with nuclear warheads.

The article was written by a correspondent of the newspaper of the Defense Ministry, a helicopter carrier assigned to anti-submarine warfare training in the Bermuda Triangle off the southeastern United States.

In publishing the article, Red Star broke with its tradition of not disclosing the nature of military maneuvers before they are finished.

The correspondent also belittled U.S. Navy helicopter pilots who, he said, were shadowing the Soviet

## Scientists in U.S. See No Threat in Gas Leak

**UNITED PRESS INTERNATIONAL**

**AIKEN, South Carolina** — Scientists tested plant and air samples for contamination Tuesday after a mile-wide cloud of radioactive gas escaped from the Savannah River Plant, but said there was no health threat to employees or residents near the facility.

Plant officials estimated the radiation dose at the border of the 300-square-mile (776-square-kilometer) plant at 7 millirems, or about one-third the dose in a chest X-ray. The plant makes plutonium and tritium.

## WORLD BRIEFS

### Former Zimbabwe Leader Freed

**HARARE, Zimbabwe** (Reuters) — The government released Bishop Abel Muzorewa, the former prime minister, Tuesday after detaining him without charge for nearly a year, the Home Affairs Ministry announced.

Bishop Muzorewa, head of the pre-independence government of Zimbabwe-Rhodesia in 1979, was detained last October. The government said he was suspected of colluding with South Africa and Israel.

The bishop, 59, heads the opposition United African National Council party, which holds three seats in the 100-seat House of Assembly. Contacted at his home, Bishop Muzorewa said he had not been badly treated. He said he would hold a press conference in the next few days.

### Chernenko Expected in Public Today

**BONN** (Reuters) — The Soviet president, Konstantin U. Chernenko, who has not been seen publicly for more than seven weeks, will appear Wednesday at a ceremony in Moscow to honor three cosmonauts, a Soviet journalist was quoted Tuesday as having said.

Mr. Chernenko, 73, who has been thought by Western diplomats in Moscow to be ill, will reportedly bestow medals on the three, including Svetlana Savitskaya, the first woman to walk in space. This was announced by Victor Louis, a journalist who has often been regarded as an unofficial Kremlin conduit.

"It will be Chernenko's first public appearance since his vacation," Mr. Louis was quoted as having said in an article in the Bild, a mass-circulation West German newspaper.

### Military Accused of Killing Aquino

**MANILA (UPI)** — The National Bar Association said Tuesday that the opposition leader, Benigno S. Aquino Jr., was assassinated by one or two soldiers as part of a military conspiracy that reaches to the army's highest ranks.

The association's report also concluded that Rolando Galman, alleged by the military to have been Mr. Aquino's murderer, was already dead when the opposition leader was slain. The 29-page report was submitted to the official panel probing Mr. Aquino's death on Aug. 21, 1983. A member of the panel indicated Tuesday that it may publish its conclusions by the end of the month.

The National Bar Association was the third Filipino legal group to accuse the military of the assassination. Similar charges have been leveled by the Philippine Bar Association and the Catholic Lawyers Guild.

### Hijacked Iranians Return to Tehran

**NICOSIA (AP)** — All but six of the 206 occupants of an Iranian airliner hijacked to Iraq on Aug. 28 arrived Tuesday in Tehran on a chartered Dutch DC-10 airliner after spending seven days in Baghdad, Tehran radio reported.

The Iraqi Foreign Ministry said that three of the Iranian passengers had requested asylum in Iraq and that a Czechoslovak passenger was turned over to his country's embassy in Baghdad. The two Iranian hijackers were granted political asylum in Iraq on Sunday.

Tehran radio said it still was trying to get back the hijackers and the Iran Air jet. It said the passengers and crew members had been held against their will. Iraq said they spent the week in a Baghdad hotel as guests of the government; visited department stores and Shiite Moslem shrines, and met with Iranian war prisoners.

### Nigeria Denies Official Fled in Crate

**LAGOS (AP)** — Nigeria has denied British media reports that the head of Nigeria Airways, wanted in Britain on suspicion of involvement in a kidnapping, was smuggled out of Britain in a crate.

The Nigerian transport and information minister, Alhaji Abdullahi Ibrahim, said Monday there was no need to hide the head of the airline in a crate. As managing director of the airline, Group Captain Bernard Bamfa often traveled on official business, Mr. Ibrahim said.

The Times of London and the British Broadcasting Corporation reported Saturday that Mr. Bamfa had been flown out of London in a crate marked diplomatic baggage. Scotland Yard said it knew nothing about the alleged escape, but confirmed that Mr. Bamfa was wanted in an attempt to kidnap Umaru Dikko, an exiled Nigerian politician, in July and fly him to Lagos in a crate aboard a Nigeria Airways cargo plane. Three Israelis and a Nigerian diplomat are being held in the abduction.

### Ulster Car Bomb Injures 71 in Newry

**BELFAST (AP)** — Seventy-one persons were wounded, none seriously, when a car bomb exploded Tuesday in Newry, a town near the border with the Irish Republic, police said.

The injuries were slight because an anonymous telephone caller warned security authorities that the device had been planted. Police were evacuating the area when the bomb exploded. Most of the injured were hit by flying glass and debris.

A police spokesman said the bomb probably was planted by the Irish Republican Army, which is waging a guerrilla campaign to drive the British out of Northern Ireland and unite the mostly Protestant province with the largely Catholic Irish Republic.

### Moscow Denounces NATO Games

**MOSCOW (Reuters)** — The Soviet press condemned NATO's current annual autumn maneuvers Tuesday as a provocation and said the Warsaw Pact was carrying out its own war games this week only because it was forced to respond.

NATO's "Autumn Forge" exercises will last throughout September and involve 258,000 troops in West Germany alone. The Warsaw Pact's Shield-84, which starts in Czechoslovakia, involves about 60,000 troops.

The daily Sovetskaya Rossiya said that Washington was chiefly responsible for the NATO war games. It said, "The Soviet Union said other countries of the Warsaw Pact were forced to respond in order to protect their homes from the dangerous onslaughts of the aficionados of militarist adventures."

### U.S. Killer Gets 2-Week Reprieve

**BATON ROUGE, Louisiana (AP)** — A convicted killer was spared the electric chair for two more weeks Tuesday by a governor's reprieve, but another man sentenced to death for slaying his two young children will be electrocuted in Florida this week unless a court blocks his execution.

Louisiana Gov. Edwin Edwards said he would grant a 14-day reprieve for Ernest Knighton Jr., who was scheduled to die early Wednesday for killing a service station owner in a 1981 robbery. The governor said defense attorneys had asked for time to make a last-minute plea to the state pardons board and U.S. Supreme Court.

Ernest John Dolbert Jr. was scheduled to die in Florida's electric chair unless his attorneys obtain a stay of execution. He was sentenced in 1974 to die for the 1971 slaying of his 5-year-old daughter, Kelly. He also was convicted of the 1972 murder of his 7-year-old son, Ryder Scott.

### B-1 Bomber Unveiled in California

**PALMDALE, California (UPI)** — The first operational B-1 bomber, the \$200-million aircraft intended to replace the nation's B-52 bomber, was rolled out Tuesday, less than a week after the crash of a prototype of the jet.

In a 30-minute ceremony, General Lawrence Skantzis, head of the U.S. Air Force Systems Command, said that the bomber was a legacy to Thomas Douglas Benedict, said in the project. Mr. Benedict, 55, Rockwell International Corporation's chief test pilot, was killed Wednesday when the B-1 prototype crashed on the 127th test flight. Rockwell is the prime contractor on the B-1 project.

The air force is scheduled to purchase 100 B-1Bs like the model unveiled on Tuesday. The B-1B will be the first long-range, heavy strategic bomber to join the air force inventory since the B-52 entered service in 1953.

### For the Record

The governor of Hong Kong, Sir Edward Youde, arrived in Beijing on Tuesday for another round of talks with Chinese leaders on the British colony's future after 1997.

The Soviet Union on Tuesday denied allegations by Sweden that a Soviet jet fighter intercepted a Swedish passenger plane Aug. 9 and violated Swedish airspace.

The governor of Nigeria's Rivers state until the military coup in December, Melford Okoro, has been sentenced by a military tribunal to an additional 21 years in prison for corruption. Lagos newspapers reported Tuesday. He already is serving a 10-year jail term for illegally maintaining a foreign bank account.

A 14-year-old Swedish girl received a new heart and lungs Monday night in a six-hour operation at Harefield Hospital in London.

The execution of Antwerp by Allied troops 40 years ago was commemorated Tuesday by city officials and veterans of resistance groups in a wreath-laying ceremony at the Monument for the Resistance.

Two Israeli arbitrators assaulted a Swedish consular official Monday night in a six-hour operation at Harefield Hospital in London.

The two new members aboard a Canadian-built Buffalo transport aircraft arrived Tuesday after the plane crashed as they were landing after a demonstration flight at an international air show in Farnborough, England.

Reagan Defeats Gies New E

U.S. Aides S Were Rebel

Pennsylvania Plan to Burn



WORLD BRIEFS

Malawi Leader Freed

Malawi's first elected president, Hastings Banda, was released from prison on Monday after serving a 15-year sentence. He was accused of plotting to overthrow the government of the late President Kamuzu Banda.

Respected in Public Today

President Ronald Reagan, accompanied by his wife, campaigning in Orange County, California, on Monday. Applauding the president at right is Gov. George Deukmejian.

Accused of Killing Aquino

President Ronald Reagan, accompanied by his wife, campaigning in Orange County, California, on Monday. Applauding the president at right is Gov. George Deukmejian.

Iranian Return to Tehran

President Ronald Reagan, accompanied by his wife, campaigning in Orange County, California, on Monday. Applauding the president at right is Gov. George Deukmejian.

Official Fled in Crisis

President Ronald Reagan, accompanied by his wife, campaigning in Orange County, California, on Monday. Applauding the president at right is Gov. George Deukmejian.

Follows 7th Day

President Ronald Reagan, accompanied by his wife, campaigning in Orange County, California, on Monday. Applauding the president at right is Gov. George Deukmejian.

SAVING Games

President Ronald Reagan, accompanied by his wife, campaigning in Orange County, California, on Monday. Applauding the president at right is Gov. George Deukmejian.

2-Week Reprieve

President Ronald Reagan, accompanied by his wife, campaigning in Orange County, California, on Monday. Applauding the president at right is Gov. George Deukmejian.



President Ronald Reagan, accompanied by his wife, campaigning in Orange County, California, on Monday. Applauding the president at right is Gov. George Deukmejian.

Reagan Defends 'Star Wars' System, Cites 'New Energy' in Foreign Policy

By Lou Cannon  
WASHINGTON Post Service  
SALT LAKE CITY, Utah — President Ronald Reagan defended Tuesday his call for a defensive anti-missile system and asserted that his administration had "completely re-oriented American foreign policy, imbuing it with new energy and moral purpose" that would lead to arms reductions.

"Even as we have successfully resisted Soviet expansionism, we have opened a wide series of diplomatic initiatives that will eventually bear fruit not just in arms control treaties, but in arms reduction treaties," Mr. Reagan said in a speech to the national convention of the American Legion. The address was repeatedly interrupted with applause.

The president also declared that the United States had a "moral obligation to pursue technological breakthroughs" for a defensive weapon that could stop an intercontinental ballistic missile in space.

"We must pursue vigorous research on defensive technologies that can permit us to intercept strategic ballistic missiles — fired deliberately or accidentally — before they reach our own soil or that of our allies," Mr. Reagan said. "Some call this Star Wars; I call it prudent policy and common sense."

It was the first time that Mr. Reagan had spoken out for the "Star Wars" proposal in a major speech since he proposed the idea in a nationally televised address on March 23, 1983. Since then, his administration has increased its search for an effective missile defense by earmarking \$9.1 billion for the effort in fiscal year 1984. And it is requesting \$1.7 billion — almost twice as much — for fiscal 1985.

The Russians have charged that this shows an intention by the Reagan administration to violate a 1972 treaty signed by both nations prohibiting an anti-ballistic missile defense. The administration says that research is expressly permitted by the treaty.

Opponents of the project, some of whom contend that a defensive system would make nuclear war more likely, include the Democratic presidential nominee, Walter F. Mondale, who will address the legion convention Wednesday.

Mr. Reagan also replied to Mr. Mondale's criticism of him on the issue of religion and politics.

Speaking at a prayer breakfast during the Republican National Convention in Dallas, Mr. Reagan said that "religion and politics are necessarily related." Mr. Mondale charged in a radio speech Sunday that Mr. Reagan and his supporters "had raised doubts whether they respect the wall our founders placed between government and religion" and contended that the mixing of politics and religion threatened to "corrupt our faith and divide our nation."

Mr. Reagan said Tuesday that this view was a misreading both of his position and of the intention of the founders to simultaneously erect a constitutional wall between church and state while providing for the free exercise of religion.

"They knew that morality derives chiefly from religious faith and that government no more should handicap religious expression than it should show preference for one religious group over another," Mr. Reagan said. "I can't think of anyone who favors the government establishing a religion, in this country; I know I don't. But what some would do is twist the concept of freedom of religion to mean freedom against religion."

Mr. Reagan misread a word of this statement on the teleprompter, saying "handic" instead of "handicap."

He added that when he used the words "church" and "religion" they were with a lower case "c" and "r" and that religion was a value that must be protected in a pluralistic society.

"The unique thing about America is that every single American is free to choose and practice his or her religion, or to choose no religion at all," Mr. Reagan said. "And that right must not and should not be questioned or violated by the state."

The president concluded his comments on religion by asking for support in passing a constitutional amendment permitting prayer in public schools, which he has long advocated.

"We need it for America's future," Mr. Reagan said.

Congress Is Back Today For Monthlong Session Of Unfinished Business

By Helen Dewar  
Washington Post Service  
WASHINGTON — Congress will resume meeting Wednesday, facing a full agenda of major issues in a one-month session aimed at wrapping up two years of work and getting members home in time to campaign for re-election in early November.

The stack of unfinished business facing the 98th Congress is high. It includes legislation on issues ranging from defense and military aid for anti-government guerrillas in Nicaragua to civil rights, environmental protection, crime, immigration and Social Security benefits.

Running almost as high are suspicions in each party about what kind of campaign booby traps are being laid by the opposition. The potential for campaign mischief-making is almost limitless in such post-convention, pre-election sessions, as Ronald Reagan, then just a presidential candidate, proved in 1980 shortly after Congress returned from its late-summer recess.

In an event that Democrats remember with some pain, Mr. Reagan mounted the steps of the Capitol to join Republican congressional leaders in denouncing the "legislative chaos" of the Democrats and pledging a new "solemn covenant" of executive-legislative cooperation.

With the tables turned, the Democrats are trying to find a way to embarrass President Reagan over what they call the "hypocrisy factor" — Mr. Reagan's call for a balanced-budget amendment to the Constitution despite his submission of budgets with deficits of around \$170 billion a year.

The House Budget Committee chairman, Representative James R. Jones, Democrat of Oklahoma, has proposed legislation urging the president to lay out a plan for a balanced budget next year and requiring him to do so in future years — even if he has to submit an unbalanced budget as well.

The idea tantalizes many Democrats, including Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts. The Jones proposal could be passed separately by the House or tacked onto a debt-ceiling extension that must be enacted before Congress quits for the year.

Republicans are not expected to be politically shy, either. They are expected to try to force the House Democratic leadership to consider the balanced-budget amendment.

But there are forces at work to dull the edges of partisanship. On many issues, the two parties often have found more political profit this year in cooperating than in colliding. Moreover, there is the overriding desire just to get out of here," said a Democratic aide.

In order to do so, the House and Senate must find common ground on at least some big issues. Also, leaders of both parties desperately want to do so in a way that precludes the type of post-election "lame-duck" session that Congress was reluctantly forced to hold in 1980 and 1982, with dubious results.

Most critical is passage of appropriations bills to keep the government operating after the new fiscal year begins Oct. 1, four days before Congress's scheduled adjournment for the year.

This means passage of as many spending bills as possible — four of the required 13 have been enacted — and approval of a stopgap "continuing resolution" to cover the balance.

The key issue is defense spending, including whether to build a second year's worth of MX missiles, a question that was so much in doubt before Congress left town last month that Republican leaders had to put off a vote to avoid a potentially fatal reversal in the Senate.

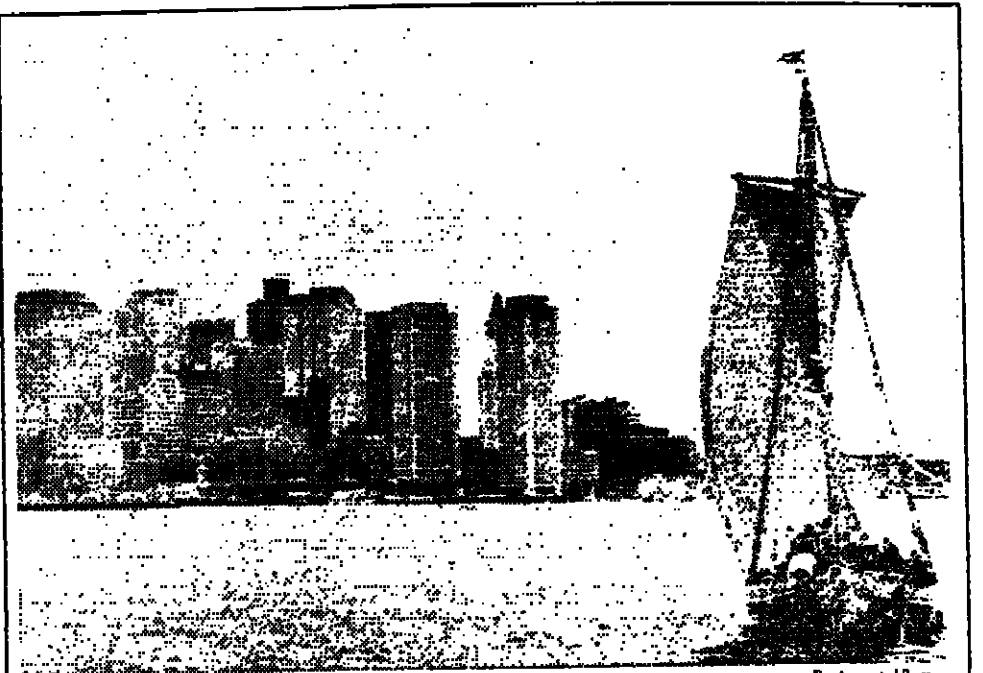
Shortly before the most recent recess began, the Senate majority leader, Howard H. Baker Jr., Republican of Tennessee, and other party leaders agreed to a Democratic proposal for a congressional "summit conference" to resolve the spending issue. If successful, this conference could break several logjams.

The defense dispute has been holding up not only the huge military authorization bill but also the overall congressional budget for fiscal 1985. It also has been making it more difficult to pass a defense appropriations bill for the next fiscal year, raising the prospect of short-term, stopgap spending for the Pentagon that could increase costs, hinder military planning and force a post-election session, according to some lawmakers.

Another issue that will have to be resolved, possibly in the continuing resolution, is Mr. Reagan's proposal to continue military aid to anti-government guerrillas in Nicaragua, which the Senate approved and the House rejected.

There may be new fights in the Senate over civil rights laws, abortion and school prayer. Opposition is expected from opposite ideological corners to proposed restoration of Medicaid funding for abortions in case of rape and incest and to a clause in a House-passed education bill sanctioning silent prayer in schools.

The House is expected to approve Senate-passed legislation to carry out Mr. Reagan's call for cost-of-living increases for Social Security recipients even if inflation is too low to trigger automatic increases. House-Senate conferees will try again to resolve differences over a bill to ease procedures for people threatened with removal from Social Security disability rolls.



HUB HO — The Saga Siglar, a Viking ship captained by a Norwegian, Ragnar Thorseth, reached Boston on Monday during a planned cruise around the world.

Police Charge Demonstrators in Chile, Injuring Up to 30 in Pinochet Protest

SANTIAGO — Riot police charged through Santiago's central square Tuesday clubbing demonstrators demanding an end to the 11-year-old military government of General Augusto Pinochet of Chile.

Human rights sources said up to 30 persons were injured, among them Rodolfo Seguel, leader of the miners' union. Witnesses said at least 50 demonstrators were arrested.

The Democratic Alliance, a coalition of centrist parties seeking an end to General Pinochet's rule, had called for peaceful demonstrations Tuesday and Wednesday to demand a return to democracy.

Democratic Alliance sources have appealed to workers to stay at home Wednesday and are hoping the protest will have the effect of a general strike.

The call for peaceful protests took place one week before Sept. 11, the anniversary of the military coup that overthrew President Salvador Allende, a Marxist, and led General Pinochet to power.

At least 14 bombs exploded in Santiago Monday night, damaging electricity pylons, buses, bus stops and buildings, but police said no one was injured.

Protests against the general began in May last year and more than 70 people have died since in clashes.

Witnesses to the arrests in Plaza de Armas in Santiago said police used water cannon trucks and clubs to disperse demonstrators. Several protesters had head wounds. A girl of about five with blood on her face was put into an ambulance.

Police unleashed dogs to bring down fleeing protesters. They stormed the doorway of the Vicaría de Solidaridad, a Catholic church human rights building normally considered a sanctuary, clubbing people caught in the melee.

The several hundred protesters in the square continued to regroup after the police charges, chanting, "He (General Pinochet) is going to fall," and "Bread, work, justice and freedom."

Witnesses said Andres Zaldivar, world president of the Christian Democratic Party and a Chilean opposition leader, was among those arrested. He was freed later.

The government has outlawed demonstrations, arguing that extremists will use them as a cover for their activities.

The deputy interior minister, Alberto Cardemil, said the attitude of opposition leaders was equivocal. "On the one hand they call protests," he said, "and on the other, they ask that they should not be violent, they do not take responsibility for the results of the protest."

U.S. Aides Say 2 Killed in Nicaragua Were Rebel-Recruited Americans

By Philip Taubman  
New York Times Service  
WASHINGTON — Reagan administration officials have asserted that two of three men killed when Nicaragua shot down a rebel helicopter Saturday were American mercenaries apparently recruited by guerrilla sympathizers in the United States.

The officials said Monday that the recruitment of the men, who have not been identified, was part of an extensive effort by the rebels in recent months to raise money and attract military advisers in the United States.

Rebel representatives in the United States, while denying that they had recruited mercenaries, said that they were organizing fund-raising drives to help the paramilitary operations against the government of Nicaragua.

The Nicaraguan defense minister, Humberto Ortega Saavedra, maintained that the two men had not been independent but had been connected with the U.S. Central Intelligence Agency.

Nicaragua said that the helicopter was shot down when it and four small planes attacked a military training school in Santa Clara, near the Honduran border, killing four Nicaraguan children.

The Nicaraguan government made public a photograph of one of the victims, a light-haired white man who reportedly died from a bullet wound in the head. The bodies of the two other men aboard the helicopter were burned beyond recognition, according to the Nicaraguan authorities. They said no identification had been found on any of the bodies.

The deaths, apparently the first of Americans in the three-year rebel fight against the Sandinist government, have once again focused attention on the guerrillas and their links to the CIA.

Senator Daniel Patrick Moynihan, a New York Democrat, and vice chairman of the Senate Select Committee on Intelligence, said Monday that the panel would investigate whether the agency had any connection with the two men.

He said that he had been assured by the CIA that it was not associated with the men and that it was abiding by Reagan administration prohibitions against involving any U.S. government employees or anyone working on contract for the government, in military activities inside Nicaragua.

The CIA told Mr. Moynihan on Sunday that the two men had come from a group of seven that traveled last week from New Orleans to Honduras to join the rebel Mr. Moynihan said that intelligence officials also had asserted that the helicopter was on a reconnaissance mission after a rebel ground attack in Santa Clara.

Mr. Moynihan said in an interview that he assumed the CIA had learned about the men and he did not believe that the knowledge suggested that the agency was somehow involved.

■ Link to CIA Is Charged  
Stephen Kinzer of The New York Times reported from Managua: Mr. Ortega, the defense minister, has dismissed reports that the two men were independent mercenaries.

"Nobody is going to believe that story," he said at a press conference Monday. "If they are mercenaries, they are CIA mercenaries."

Mr. Ortega described the air attack on Santa Clara as having been carried out "with the direct involvement of elements trained by the CIA."

The defense minister also displayed a detailed map of the area near the Honduran border that he said had been used by the helicopter pilot for navigation. He said markings on the map indicated that the craft had taken off from a base at Jamastran, Honduras, where Americans are regularly stationed.

Mr. Ortega said the Foreign Ministry would ask the U.S. Embassy to assist in efforts to identify the men whose photograph was released.

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Pennsylvania Valley Resists Plan to Burn Coal in Mires

POTTSVILLE, Pennsylvania — Entrepreneurs have said they are willing to invest millions of dollars in a plan that could create thousands of jobs in Pennsylvania's depressed hard-coal county. But their project has frightened some residents of the valley along the Schuylkill River, and their fear has led the state legislature to consider a ban on the enterprise that may be voted this month.

The investors, Spruce Creek Energy Co., have already spent \$1.25 million on their plan to burn much of Schuylkill County's coal where it lies, deep underground, and convert the resulting gas into fuel and petrochemical products.

Their opponents have said they fear the coal could be dug out of control, raising their homes and their valley, like a fire 10 miles (16 kilometers) away that has been burning for 20 years and is now forcing the evacuation of the town of Centralia.

"There is no way that could happen," said Warren Westphal, Spruce Creek's president. He and others argue that such fire could not break out because the sites of the fires, unlike those at Centralia and at hundreds of others old mines across the country, would be below the water table.

"They just don't know these mountains," said Albe Kutzer, a retired postmaster who heads Citizens Against Underground Burning, the main opposition group. He and other opponents say some of the mines communicate and that a fire in one mine could spread to others.

The valley's fears have led the Pennsylvania General Assembly to the verge of outlawing the underground burning of coal before Spruce Creek can complete a test of its project. Different bills have passed in a series of legislative sessions and a final vote on amending the tests

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# Herald Tribune

Published With The New York Times and The Washington Post

## Back to Work in France

Packing away its beachwear, France looks warily — or wearily — ahead. One former prime minister, Raymond Barre, suggests that people are fed up with ideological disputes. But another, Jacques Chirac, urges total opposition, to the point of demanding early parliamentary elections. A fairly minor reshuffle in July has seen the Communists flee the government nest.

Can the economic stabilization program be maintained? It is not yet clear whether the departure of Finance Minister Jacques Delors heralds a U-turn. So far, action has been confined to a minor reduction of interest rates, which is more irritating to small savers than stimulating to borrowers, and promises of lower taxes accompanied by higher telephone charges, a play which recalls Margaret Thatcher's questionable tactics in 1979.

Clearly, any new political pressures will be in favor of expansion. The labor unions, in different voices, hint at this — moderately to date. The Communists, discredited in the European Parliament elections in June, are unlikely to hold back. The conservative opposition is in a somewhat awkward position, since austerity was the name of their game, too, and any plea for reflation would bring down on their heads the weighty wrath of their own Mr. Barre. So a major problem for the government, as for so many through history, is to control its own left wing.

So far the cry has only been for maintaining workers' purchasing power, which at face value merely suggests a floor under real wages. The danger is that the cry will become more ambitious. The Delors effect will be wasted if the moderation he secured ceases to be regarded as an inevitable step toward getting France back into line after three devaluations in as many years. To regard it as a momentary pause meriting a

full and fast catch-up would be disastrous. There is little scope for rising real wages at present. The non-political OECD points out that France has been becoming increasingly uncompetitive, with a resulting rise in foreign debt. Debt is by no means excessive. But the trend is, and the trend will not be reversed until competitiveness improves. When French demand rises, more than a third goes to foreign industry — or even half, if it is investment that rises.

Household goods, automobiles and industrial capital goods are all weak. France's advantage at present seems to be only in services (particularly tourism) and the agro-food business. (The latter good news may reflect the workings of the European Community's agricultural policy more than comparative advantage.) France has a problem of aging capital stock that will not be resolved until the financial position of industry has improved. The share of wages in the nation's income needs to be restrained in favor of profits. And companies like Peugeot have to cut redundant workers heavily.

France's old recipe of expanding faster than others and periodically devaluing does not seem to work any more. There just isn't the productive system to support fast growth and respond to the stimulus of periodic depreciation of the franc. Rising demand sucks in imports; devaluation makes those imports more costly and boosts inflation.

This does not make agreeable reading. Unemployment is already 9.5 percent and will probably rise further before the troubles start to go. There are some encouraging signs: Profits show some recovery, and investment in manufacturing may be reviving. The non-Communist world will wish the government luck — and good judgment.

INTERNATIONAL HERALD TRIBUNE

## Statecraft for Sri Lanka

A tragedy is developing in Sri Lanka, where an aggrieved ethnic minority has turned to separatist terrorism and the majority community has replied with repression and racial war. This is more than a local misfortune because Sri Lanka has been a rare thing in the Third World, a working democracy, reasonably prosperous and traditionally nonviolent.

The violence is new, the quarrel is not. Three million Tamils have complained of mistreatment at the hands of 10 million Sinhalese since independence in 1948. Neither side is blameless. The predominantly Buddhist Sinhalese have indeed dealt unfairly with a mostly Hindu minority speaking a different language. But the Tamils have played the risky game of talking separatism — talk taken literally by their own extremists, the Tigers, and by hard-liners among the dominant Sinhalese.

When terrorists ambushed an army contingent last year, a rampage ensued that stained the reputation of President J. R. Jayewardene's conservative government. The Tigers launched a new campaign this summer, and in reprisal whole villages have been torched by an untrained army. Credibly, some Sinhalese are condemning these abuses, notably the courageous editor of an English-language paper in the predominantly Tamil north.

Policy, not arms, offers the surest path out of this tangle. What most Tamils want is not independence but a fairer deal from the central government. President Jayewardene has hinted at compromise. But the antagonists are stuck with proclaimed positions, and each is hostile to no-surrender extremists. In these circumstances it is up to the president to find and defend the middle ground, justifying his plenary powers under the 1977 constitution.

What may encourage peacemaking is the offshore presence of 50 million Tamils in nearby India. Although she has been accused of meddling, Prime Minister Indira Gandhi has kept aloof from the Sri Lankan quarrel. She has her own problems with Sikh separatists in the Punjab and has no motive for stirring rebellion elsewhere. But a clamor for intervention would surely arise among Indian Tamils if a Tiger hunt turned to butchery.

That will not happen if Mr. Jayewardene means what he says in proposing a second parliamentary chamber that would give Tamils more power. Ideas like that are the essential corollary to combating terrorism. Translating them into reality could spare Sri Lanka a civil war. If American diplomacy can help with a discreet nudge, so much the better.

— THE NEW YORK TIMES

## Yes, a Belgrano Debate

In almost every international crisis in which force is threatened, there comes a tester point, a moment when the situation looks menacing but still may be saved. The parties know this and play their strategies accordingly. The trick is to go up to but not over what John Foster Dulles aptly called the brink. If the result is attained without actual use of force, it is called a political solution; if not it is called a war.

So it was in the Falklands crisis in the spring of 1982. Argentina had seized the British-claimed islands, but a resolution without the further direct application of force still seemed possible. Although a British task force had arrived on the scene to bring pressure to bear, various diplomatic initiatives, including Secretary of State Alexander Haig's shuttle and an effort by Peru, were in the works. But then the British sank the Argentine cruiser General Belgrano, with the loss of 368 lives. Diplomacy was overtaken. War determined the outcome.

The sinking of the Belgrano has been a matter of contention since the war, but recently the controversy has taken on fresh intensity. Newly leaked documents of the what-did-he-know-and-when-did-he-know-it kind suggest — suggest to some, that is; they do not prove — some shocking things about the policy of Margaret Thatcher's Conservative government.

ment: that the Belgrano was attacked despite advice that an attack would violate international law; that the ship, far from being the threat to the fleet that the government claimed, was steaming away from the fleet and was in any event outside the 200-mile exclusionary circle the British had drawn around the Falklands; that Mrs. Thatcher ordered the fleet to attack precisely in order to spoil the diplomacy then under way — she wanted war.

(We should add that a further allegation in the new package — an allegation we find impossible to credit — is that Britain contemplated a nuclear attack on an Argentine city.) Historians might say the Belgrano question is of the sort best left to historians for definitive answer. But the question is being hotly and necessarily debated in Britain now. Mrs. Thatcher is being accused in the press of an unspeakable offense: choosing war over peace and, then and now, trying to cover it up. The matter will likely move to Parliament.

The gravity of these charges means they cannot be left hanging. In the nuclear age especially, nothing is more important than the matter of how countries involved in disputes go up to, and sometimes past, the tester point. Everything depends on it.

— THE WASHINGTON POST

## FROM OUR SEPT. 5 PAGES, 75 AND 50 YEARS AGO

### 1909: Dr. Cook: 'I Bring My Story'

LONDON — "Lloyd's Weekly News" [on Sept. 5] contains an interview with Dr. F. A. Cook, signed Philip Gibbs, which reads in part: I went up to him and said: "Dr. Cook, I believe." He said: "I guess you're the first Englishman to give me a greeting." "What evidence can you bring," I said, "to show that you have actually reached the North Pole?" He answered: "The same proof as every other explorer. I bring my story. Do you doubt that?" He had taken a series of observations from 85 degrees to the Pole. These observations, he said, were sufficient to prove his claim. I said: "Then you have these records with you?" He had not lost them but had sent most of his books to America from Greenland.

### 1934: Reich Warned on Saar Mines

PARIS — A clear warning that the French government will not give up the Saar mines until the Reich has agreed upon their repurchase price and has paid it in full — in the event the Saarlanders opt for return to Germany at the January [1935] referendum — is contained in a memorandum addressed to the general secretary of the League of Nations by Foreign Minister Louis Barthou, which was published in Paris [on Sept. 4]. Furthermore, the French Foreign Office asks the Council of the League to collaborate at the earliest opportunity in the negotiation of a settlement on the repurchase price of the mines and methods of payment before the plebiscite takes place.



## The High Frontier? A Rendezvous for Cooperation

By Flora Lewis

PARIS — Konstantin Chernenko seems to have moved a step closer to Washington's stance on space weapons talks. He says now that a ban could facilitate other disarmament sessions. It does not amount yet to an offer to renew negotiations on nuclear arms. But it does indicate that Moscow really wants to engage the space issue, despite its anger at President Reagan. The Russians apparently realize that time is getting very short for a chance to block the spread of arms into space.

If so, they are right. American proposals of "Star Wars" are intensifying their campaign to the point of challenging all arms control agreements, and especially the treaty against anti-ballistic missiles. They now admit that "removal of some ABM treaty constraints will be necessary to permit America to compete effectively in the strategic defense field," in the words of Colin S. Gray, writing in the fall issue of Foreign Policy magazine.

Mr. Gray is a member of the administration's General Advisory Committee on Arms Control and Disarmament and an ardent advocate of what the star-warriors call "exploiting America's advantage in space technology." He argues that the Russians are cheating on existing agreements, and that the administration should "tell the American people that Soviet misbehavior has cast doubt on the wisdom of persisting in arms control."

He represents the hard line on what he says is "a major split within the administration over arms control policy." That is an enlightening observation at a time when the president's speeches keep repeating an eagerness to seek agreement.

The dispute, which has long been going on behind the scenes in subtle and sometimes misleading ways, is coming into the open now because scheduled U.S. tests of anti-satellite weapons may well make future agreements impossible.

Tests can be verified. Once production starts, inventories cannot be. Anti-satellite weapons cannot be shot down as missiles, but they are a step toward the needed technology, and they open the door to space combat. Why not? say the High Frontiersmen. Isn't it better to fight in space than on Earth?

The point, of course, is that the attempt to dominate space militarily is for the purpose of achieving dominion on Earth. The whole history of the arms race shows that neither side can stay ahead. The Russians were first in space, but the United States caught up. The United States was first with multiple warheads, and the Russians caught up. The real issue is whether to pour more and more billions down the drain of false security, or to seek mutual restraints.

The allure of seeking a defense against nuclear missiles is undeniable. But there is a big difference between a crash program to put America "ahead," and sober research to see what is feasible.

Even High Frontier, the well-funded, energetic think tank that urges space weapons, says in its newsletter that "there has never been nor will there ever be a perfect defense against anything." But it

chimes that some defense, whatever the price, will deter the Russians. The Russians say they would match it and add offensive weapons to overcome it. On past performance, they should be believed.

There is one convincing reason to seek the ability to shoot down at least a few strategic missiles. It is to destroy a weapon, even one's own, that might be launched accidentally, or one that a small, maddened power might acquire. This would be in the mutual interest of the United States and the Soviet Union, threatening neither.

But it is not possible for either side to be sure the other isn't trying to steal a march and achieve superiority, if the effort for this capacity is competitive. Only a joint program could give guarantees. That kind of Soviet-American cooperation can hardly be envisaged in the present climate. Therefore it would be better to accept a ban, or at least a moratorium, on testing of all space weapons while the chance for verification still exists. This would not foreclose future development of missile defense, if it works, when a better atmosphere might make a joint program thinkable.

In such an atmosphere, the fear of war between the superpowers would be reduced in any case. Then they could move on to seek what both say they want: agreements to assure peace.

Meanwhile, blocking a whole new dimension of the arms race would ease tension. If Mr. Reagan means what he says, he can end this split in his administration now and push for an accord against space weapons before it is too late.

The New York Times

## Afghanistan: Inching Toward a Political Solution

By Brij Khindaria

GENEVA — A promising new pattern of events is emerging in Afghanistan and Pakistan that has been obscured by the political rhetoric surrounding the search for a peaceful solution to the Soviet occupation of Afghanistan.

The latest round of talks between Afghanistan and Pakistan organized by Diego Cordovez, the United Nations undersecretary-general, ended inconclusively in Geneva last Thursday. But there were hopeful signs, including unprecedented agreement between the Pakistani and Afghan foreign ministers to be present simultaneously in separate rooms, with Mr. Cordovez shuttling from room to room.

This format was the next best thing to direct talks. At the three previous meetings in Geneva since 1982, the delegations came on separate days to meet Mr. Cordovez. The last session in 1983 was marked by such discord that the fragile line of communication appeared to have been broken irretrievably.

This time the atmosphere was businesslike and there was agreement in principle to meet again in February 1985, after the swearing-in of the new U.S. president.

Pakistan continued the peace-

making process in Geneva despite being surprised and shaken by Soviet-backed Afghan attacks against villages on its border.

Another conciliatory gesture was the recent discreet Pakistani government decision to start dispersing Afghan refugees away from tribal areas near its northwestern frontier with Afghanistan to parts of southern Pakistan and the Punjab. One reason for this is that some Afghan tribal chieftains are buying too much property in Pakistan's Northwest Frontier province with money siphoned off from U.S. aid dollars.

So the Pakistani government is putting more distance between the resistance fighters within Afghanistan and their sanctuaries in refugee camps on Pakistani territory.

Afghan resistance leaders are worried by this as yet unannounced trend, which makes it harder for them to use the 3 million Afghan refugees in Pakistan as a breeding ground for freedom fighters.

Some resistance leaders demanded in Geneva last week that they be allowed to take part in Mr. Cordovez's peace process alongside Pakistan and Afghanistan. So far both

threat to the Karmal regime so far has come not from the pally weapons smuggled through to the resistance fighters by the CIA or others. The chief threat has come from the clan chiefs who have made common cause against a Kabul government that threatens to wrest power from them in their own localities.

To mollify the chieftains, the Soviet Union is now allowing Mr. Karim to revive the traditional council of *Lot Jirga* — that is, rough translated, the council of clan chiefs without which kings could not have ruled Afghanistan.

After talking with the Soviet stick, Mr. Karim now appears to be dangling sweet carrots to entice chieftains to reenter the council. But he cannot escape having to grasp the Soviet stick and make plans for a withdrawal of Soviet troops, because he cannot win popular support so long as he is seen to represent the interests of a foreign power.

A political solution to the Soviet occupation that leaves Pakistan and Afghanistan less dependent on their respective superpower mentors may not please everybody, but it would have the merit of alleviating the suffering of the Afghan people.

International Herald Tribune

## Sterling and the EMS: It's Time to Join the System

By Giles Merritt

BRUSSELS — British banks have been behaving this summer like anxious bookmakers before a big race, adjusting and readjusting their lending rate as if in response to a frantic economic messages. In July British interest rates jumped almost 3 percent within a few days, to be followed in August by three half-point cuts inside a fortnight. The case for Britain's joining the European Monetary System as an active participant becomes more compelling than ever.

The pressure on the pound has come as a sharp reminder that, per se, currency or no, the days of the sterling crisis are not yet over. Membership in the EMS currency stabilization mechanism would give Britain monetary shock absorbers while offering a variety of other advantages.

The idea that her majesty's government should reconsider its 5½-year-old refusal to be part of the EMS was raised in the House of Commons last long ago, shortly after the London clearing banks had been forced by the markets to raise their base rate to 12 percent. But the tepid backbench member who voiced the possibility was reproved by Chancellor of the Exchequer Nigel Lawson, who emphasized once more that sterling's difficulties are the consequence of high American interest rates.

Perhaps there really is no point in pursuing the matter. If Mrs. Thatcher's government refuses to countenance parliamentary discussion of EMS membership, ought not Britain's European partners drop the matter? As British commentators are fond of saying: Once her mind is made up, the lady's not for turning. Yet the continental Europeans are unlikely to abandon the topic of EMS enlargement. First, there are good political reasons for sterling to come in out of the cold. Now that the five-

year U.K. budget wrangle is tantalizingly close to settlement, London could use full EMS membership to pledge its faith in the Community. There has been so much bitterness that such a small gesture would go a long way in the eyes of the other nine.

There is also the view, shared by a number of EC capitals, that the EMS exchange rate is only part of the story. If Britain, bringing with it the City of London and its expertise in financial services, were part of the EMS, monetary Europe would be that much stronger. And in times of trouble on the exchange markets, the pound would be less volatile and less disruptive to other EMS currencies.

On top of these points comes the wider argument that sterling's membership in the EMS would hasten the day when Europe could "de-couple" its monetary policies from those of America. Such talk is partly a reaction against the Reagan administration's tacit refusal even to pretend there is anything to discuss with the Europeans. But there is also growing interest in such notions as decoupling the EC's international trade in European currency units and erecting an EMS bulwark to stem capital outflows from Europe to America.

These ideas are still at a fairly early stage, but they would be given some impetus if Britain joined the EMS. British arguments against EMS participation have changed over the years. The Treasury line back in 1978, when the Giscard-Schmidt axis was urging the EMS as an improvement on the EC's old "snake in the tunnel" currencies alignment, was that sterling was too weak a pound to mark. The fear was that Britain would find itself uncomfortably dominated by West German economic policy. In

Frankfurt the Bundesbank mirrored that reaction with doubt that the EMS was designed to benefit the EC's less hard-working spongers. Britain has now gone full circle back to its argument that the pound is unsustainably weak against the mark. But in between it maintained that sterling was far too strong for the EMS. In the winter of 1980, after the March 1979 launch of the system, sterling was being pushed to new heights by North Sea oil revenues. The EMS currencies were told in effect that it would not be fair to them to link their currencies to the pound.

It is never quite clear whether the Treasury mandarins believe their own words, but few of the continental Europeans do. They assume correctly that these arguments are excuses for a long-seated British mistrust of the European alignment.

But there is no escaping that when we do that job we inject ourselves into the central event of the campaign and become players instead of observers. Whether the question impales a candidate or offers him escape from the tight corner of the previous exchange, we are affecting history, not just writing its first draft.

To my fellow journalists, I would say: Let's play on our own ground, and insist that all these candidates, including the president, have frequent news conferences. But let the debates be debates.

## Let's Leave The Debates To Debaters

By David S. Broder

WASHINGTON — Journalists have no business trying to stage-manage any aspect of the campaign we are covering. That is obvious. But it is also well understood that rules are meant to be broken, and this is one I want to break.

I plead indulgence to make the case to those now negotiating the terms and conditions of the 1984 presidential debates that they be real debates — and not modified joint press conferences. Specifically, I urge that, rather than have journalists question the candidates, the candidates question each other.

The voters are interested in seeing Ronald Reagan face off against Walter Mondale and George Bush face off against Geraldine Ferraro. Anybody who distracts from this natural focus of attention, cluttering up the stage, ought to be removed.

There is a function for a moderator who introduces the candidates, explains the ground rules and enforces them by calling time on an overly lengthy answer. But beyond that there is nothing to be done that cannot be done by the candidates themselves. All four are experienced public servants, familiar with the issues and well aware of their differences with their opponents.

There is no basis at all for believing that they cannot put their own cases, and challenge their opponents' contentions, as well as anyone. In terms of drama and viewer interest, the experience of the Democratic primary debates argues powerfully for eliminating the intercoms of the press. The best moments — the ones that crackled — in those debates came when the candidates questioned each other and responded directly to each other.

In most of those debates there was but a single moderator on-stage, and in the critical exchanges that person played no part. John Glenn and Mr. Mondale talked directly to each other in New Hampshire; Mr. Mondale challenged Gary Hart almost nose-to-nose in Atlanta; Jesse Jackson lectured both his rivals on their behavior in New York, all without a word or a gesture from the moderator.

I can think of only two possible objections to carrying over this healthy habit into the autumn debates. Some might object that it is beneath the dignity of these worthies to engage in this direct sort of verbal confrontation. I can imagine a Republican strategist saying that "nice guy" Reagan should not be put in the position of asking Mr. Mondale to justify his public support of the Carter grain embargo while he privately thought it foolish. Even more easily, I can imagine a Republican saying that Mr. Bush should not be put in the position of "attacking a lady" by being forced to question Ms. Ferraro.

On the other side, I can imagine a Democrat worrying that Mr. Mondale might appear disrespectful of the office of president if he questioned Mr. Reagan too vigorously, or that Ms. Ferraro might look strident and "unladylike" if she pressed Mr. Bush on his "voodoo economics" remark.

None of these protocol arguments carries weight. This is not a Washington dinner party where one is discussing a debate. To paraphrase the old saying: If you can't stand the heat, get out of the studio.

Nor is there much merit in the argument that the candidates will not raise all the issues that journalists might. During the Democratic debates we learned that the question asked — or omitted — tells you as much about the questioner and his motives as the answer he is discussing. As a voter I am intrigued to guess what issues Mr. Reagan would raise with Mr. Mondale, and vice versa, knowing that only a few topics can be covered and that millions of voters are watching and making up their minds. That would tell us more than we could possibly learn by watching them struggle with the question on Afghanistan from a podium.

And now my final reason for hoping that the candidates will debate — really debate — this year: I think those stages and studios are bad places for us as journalists to be. There is no professional criticism intended of the reporters who have served on these panels. Their questions have been good, their attitudes and demeanor thoroughly impressive, and I am not a scolding parent when we do that job we inject ourselves into the central event of the campaign and become players instead of observers. Whether the question impales a candidate or offers him escape from the tight corner of the previous exchange, we are affecting history, not just writing its first draft.

To my fellow journalists, I would say: Let's play on our own ground, and insist that all these candidates, including the president, have frequent news conferences. But let the debates be debates.

The Washington Post

## LETTER TO THE EDITOR

### Comeuppance in Haiti?

Regarding the editorial "Fear of Freedom in Haiti" (Aug. 21):

The editorial recommends withholding military aid to Haiti's government. That is a start, but more drastic action is needed to reverse the tragic conditions of the country. During the past year I worked with Haiti's poor as a volunteer physician. I routinely saw children die from starvation and young adults from tuberculosis. The few who were healthy were not safe from tetanus, polio and malaria. I did my best to patch up the weapon of the Tonton Macoute secret police, a club with a protruding nail. I cried when I saw the piles of freshly dead babies to be taken to

mass burial pits. It is no wonder that Haitians fled into dilapidated boats to come to the United States.

The elite live in luxurious mansions, go to fashionable clubs and shops in Paris. They have any concern for the impoverished, illiterate masses. The government's job is to maintain this disparity. To its leaders, democracy is a game, the prize being U.S. dollars. One of my patients hid on a day because during the previous he was jailed and beaten for refusing to vote for the state-backed candidate, who incidentally received 98 percent of the vote. We cannot expect standards of democracy and equity to take root overnight. But with Haiti's booming population, depleted resources, eroded land and a government that has

perfect corruption to an art form, the situation seems almost hopeless. Recent food riots are a mild precursor of an inevitable revolution that no arms shipments will be able to stop. It is high time for Americans to begin to address the social problems of Haiti intelligently.

JOSEPH F. BENTIVEGNA, M.D.  
Yonkers, New York

Letters intended for publication should be addressed "Letters to the Editor," and must contain the writer's name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

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Let's Leave  
The Debate  
To Debaters

## Brazil Bishops Caution Against Alarm in Debate On Liberation Theology

By Marlene Simons  
New York Times Service

RIO DE JANEIRO — The hierarchy of the Roman Catholic Church in Brazil has cautioned against alarm in the debate over the "theology of liberation" supporting revolutionary change.

At the center of the controversy about this doctrine, for example, are four dissenting priests in Nicaragua who are opposing their bishops and participating in the leftist Sandinista government.

The Brazilian National Bishops Conference, attended by 358 bishops and one of the world's largest, issued a statement after the formal publication on Monday of a 36-page Vatican statement attacking the "deviation" of the theology.

The criticism came four days before the start of official Vatican questioning of a leading Brazilian theologian who believes in the disputed doctrine.

Although the conference statement bowed to Rome's authority, it cautioned against "the alarm which surrounds the release of the document," which it said could prevent the statement from being correctly interpreted and hurt the church.

Church sources said many Brazilian bishops believed that the questioning in Rome this week of the Brazilian theologian, the Reverend Leonardo Boff, is a challenge to the position of Brazil's Catholic Church, known for its independent views.

Three leading Brazilian cardinals, who are also the most closely identified with the theology of liberation, will be in Rome this week, coinciding with Father Boff's questioning. They are Cardinal José Ivo Lorscheiter, president of conference, Cardinal Paulo Evaristo Arns, archbishop of São Paulo and Cardinal Aloisio Lorscheiter, archbishop of Fortaleza.

Brazil is the most populous Catholic country but also one where the theology of liberation is most widely taught and practiced through about 70,000 Christian "base communities." These groups, with a total of four million members, meet to hold courses or to discuss how to apply the Bible's teachings to life.

The Vatican document, which focused on "Marxist deviations" in

the theology of liberation, said the teachings in the base communities offered insufficient preparation in both catechism and theology and did not teach a "proper" Marxism. "In this way, they are accused by generous men and women without critical judgment," the document said.

Church sources said that some Brazilian bishops had supported a request of Father Boff to be questioned in Brazil rather than in Rome by the Prefect of the Congregation for the Doctrine of the Faith, the congregation that acts as the theological watchdog of the Vatican. When the request was turned down, the sources said, several prelates decided to travel to Rome.

Father Boff, in a meeting with reporters here before leaving for Rome, made it clear that he considered he was being summoned by the Vatican and that he was going with reluctance.

In May, he said, he had received a letter requesting him to appear before the Sacred Congregation in Rome.

Noting that his questioning could result in some kind of punishment, Father Boff said that he had asked for a postponement of the meeting because of prior commitments during the summer and that he himself then suggested Sept. 7, Brazilian Independence Day.

In Rome, Cardinal Joseph Ratzinger, who is to head the panel questioning Father Boff, said the Vatican document's publication just four days before the hearing was coincidental.

He said Father Boff's hearing would not be a trial but a dialogue called at Father Boff's request.

■ Vatican Paper Is Welcomed  
Catholic leaders in Colombia and Ecuador have welcomed the Vatican document, Reuters reported from Buenos Aires.

The permanent committee of the Colombian episcopate issued a communiqué praising the document Monday and saying that some theologies of liberation led to the negation of faith.

In Ecuador, Archbishop Pablo Muñoz Vega of Quito said the document would further unite Latin American churches.

## Nicaraguan Opposition Calls Campaign Rigged

The Associated Press

MANAGUA — Riding camouflage-painted army helicopters and white stallions, traditional symbols of Nicaraguan leaders, Daniel Ortega Somoza is carrying his campaign for the presidency into remote mountain hamlets.

Clemente Guido, one of the presidential candidates opposing the head of the Sandinista ruling council, has trouble getting loudspeakers and tires for his campaign vehicles and must do with pink cardboard for posters.

So it has been since the official start of Nicaragua's election campaign at the beginning of August. Mr. Guido, leader of the Democratic Conservative Party, is one of six opposition candidates contesting the Nov. 4 election.

The campaign for president, vice president and a 90-member legislature is a study in the use — or abuse, in the view of the opposition — of political power.

"It is very difficult to struggle against an octopus," said Virgilio Godoy Reyes, the presidential candidate of the Independent Liberal Party. "It has many arms."

Critics accuse the Sandinistas of using the 8,500 defense committees, called "the eyes and ears of the revolution," and the government bureaucracy, the police and the armed forces to create an atmosphere of intimidation and an organization that virtually guarantees their victory.

Several of the opposition parties contend that the local Sandinista authorities in towns in the provinces routinely harass their campaign workers, sometimes sending mobs to break up their rallies and detaining their local party officials for hours.

Mr. Godoy says that his party's youth workers have been drafted in large numbers in several towns because of their support for the Independent Liberal Party.

"The greatest obstacle to free elections is the organization the Sandinistas have structured, the five years of fear, all those years they have maintained pressure on people," Mr. Guido said.

The Sandinistas operate their campaign from plush offices in a large, modern building on a major highway leading out of Managua. Opposition parties work out of generally shabby offices and have to scramble for campaign materials in short supply because of lack of money to import them.

There is a shortage of paint for billboard signs, paper and ink for printing leaflets and tires for campaign vehicles.

The main opposition, a coalition of three parties called the Democratic Coordinator, refused to register for free elections because its conditions for free elections were not met. The three parties were stripped of their legal status, denying them and their unofficial presidential candidate, Arturo José Cruz, the right to campaign.

Under the election law approved



N.T. Rama Rao, the dismissed chief minister of Andhra Pradesh, addresses a rally attended by 100,000 people in Bangalore. Posters urge an end to the "dictatorial" reign of Prime Minister Indira Gandhi, whose administration dismissed him on Aug. 16.

## 10 Injured as Hindus, Moslems Clash in Southern India

The Associated Press

NEW DELHI — The authorities imposed a curfew Tuesday in most parts of the southern Indian city of Hyderabad after 10 people were stabbed in clashes between Hindus and Moslems, the United News of India reported.

The latest violence broke out late Monday when Moslems attacked a Hindu temple and ran-

sacked nearby houses in Hyderabad, about 1,200 kilometers (750 miles) southeast of New Delhi, the news agency said.

The incident set off street battles between the rival religious groups, who attacked each other with knives and stones, the agency reported. It said at least 10 people were hospitalized with stab wounds.

United News said that police used guns, tear gas and clubs to disperse the crowds. Officials in Hyderabad, the capital of Andhra Pradesh state, described the situation as "tense but under control" on Tuesday.

Hyderabad was the scene of violent protests last month over the government's dismissal of N.T. Rama Rao, the state's chief minister.

## Philippines Storm Toll Rises to 473

The Associated Press

MANILA — The death toll in the typhoon designated Lili climbed to 473 Tuesday as government workers and air force planes stepped up rescue and relief work, officials said. It was the worst typhoon to hit the Philippines in 12 years.

Reports compiled from government and private relief offices, including the Red Cross, showed a death toll of 473 covering Surigao del Norte and seven other southern provinces.

The mayor of the provincial capital of Surigao City, Constantino Navarro Jr., was quoted by the Philippine News Agency as saying the death toll in the province could reach 3,000. He estimated that 1,000 people died in the capital.

The agency quoted the mayor as saying that he had allocated 100,000 pesos (\$5,500) for burials.

The weekend winds of 185 kilometers per hour (115 mph), left 345 injured and scores missing in the affected provinces, with about 200,000 people homeless, according to relief agencies. A Manila newspaper quoted some government officials as estimating damage at 2 billion pesos (\$111 million).

Imelda Marcos, wife of President Ferdinand E. Marcos, flew to the stricken areas, which are in the Visayas and Mindanao regions. The presidential palace said she surveyed the extent of destruction and directed the distribution of relief goods.

Mr. Marcos called the typhoon "one of the most severe that the nation has experienced in decades." Appealing for unity at what he called a time of "adversity and crisis," he said, "all attention should be focused on the immediate task that must be borne: the saving of lives, caring of the injured and sick, sheltering of the homeless."

The president warned profiteers and hoarders not to take advantage of the situation, saying the government "will not allow this to happen."

Of the fatalities, 305 have oc-

curred in Surigao del Norte, where a lake in the town of Mainit overflowed, drowning 200 people, the military said. Eighty-two others died in Surigao City and 23 died on Noson and Capaya islands off Surigao.

Damage to crops and property was placed at at least 131 million pesos (\$7.27 million).

■ South Korean Toll Rises

A South Korean government official said Tuesday that flood planning for Seoul would be revised as the toll of dead and missing reached 160 after four days of torrential rain and floods, Reuters reported.

Deputy Construction Minister Lee Kwang Yong said the government would re-examine the city's flood control system. Angry residents who had been evacuated from their homes staged protests Monday, claiming the government and city authorities did nothing to prevent sluice gates from giving way in the banks of the Han River, which passes through the capital.

Relief officials said 114 people were confirmed dead and 46 were missing in landslides, collapsed houses and floods. The heavy rains began Friday and tapered off Monday.

More than 100,000 people were

## UN Official in Bangkok For Talks on Refugees

The Associated Press

BANGKOK — Poul Hartling, the UN high commissioner for refugees, arrived here Tuesday and said he would hold discussions with Thai officials on "problems in certain areas" concerning Indochinese refugees in Thailand.

Mr. Hartling said that while the number of Indochinese refugees in UN-aided camps in Thailand had decreased by 20,000 since his last visit here a year ago, "there remain problems in certain areas, and these will be taken up in my discussions with Thai government officials."

## Gaston Palewski, Aide To De Gaulle, Dies at 83

The Associated Press

PARIS — Gaston Palewski, 83, a leading administrator and Gaullist politician, ambassador, president of France's Constitutional Council and a noted art historian, died Monday night after a long illness, his family announced.

Mr. Palewski, of Polish origin, studied in Paris at the Sorbonne, the School of Political Science and the Louvre Museum school, and at Oxford University.

His political career was for the most part spent in the shadow of other leaders. In the 1920s, he became political attaché to Marshal Louis Lyautey, and in the 1930s he was the chief of staff of Paul Reynaud, a leading minister in many governments and the last prime minister of the Third Republic. At the outbreak of World War II, Mr. Palewski volunteered to join a bomber squadron.

He went to London in August 1940, after France's defeat, to join De Gaulle, who named him to a key post as director of political affairs. In 1941, he again volunteered for action and commanded Free French forces in East Africa.

De Gaulle recalled him to London in 1942 to become his chief of staff, and Mr. Palewski held the post until De Gaulle resigned as head of the provisional government of liberated France in 1946.

He refused offers of political posts to stay with De Gaulle during the general's "crossing of the desert," his 12-year retreat from public life, and was a founder of De Gaulle's party, the Rally of the French People, RPF.

He was a member of the National Assembly from 1951 to 1955, serving briefly as minister for nuclear affairs before resigning with other Gaullists over policy toward Morocco.

He was ambassador to Italy from

1957 to 1962. Prime Minister Georges Pompidou then named him to the senior cabinet rank of minister of state, responsible for scientific research, nuclear and space affairs.

An expert on 18th and 19th century art, of which he had a major collection, Mr. Palewski led the French effort to aid the city of Florence after the 1966 floods there, and also headed the French committee to aid Venice.

He was a member of the Academy of Beaux Arts and the Institute of France, and from 1974 was director of the intellectual Revue des Deux Mondes. In 1969 he married Violante de Talleyrand-Perigord.

Arthur Schwartz, Songwriter, Broadway Composer, Dies

NEW YORK (NYT) — Arthur Schwartz, 83, the Broadway songwriter and composer, died Tuesday in New York after suffering a stroke.

Mr. Schwartz is best known for the songs he wrote with the lyricist Howard Dietz — "Dancing in the Dark," "That's Entertainment," "You and the Night and the Mu-



Gaston Palewski

sic, "Alone Together" and "If There Is Someone Lovelier Than You," among many others.

Mr. Schwartz's music was heard on and off Broadway from 1926, when he contributed to a revue, "Grand Street Follies," through the 1963 musical "Jernie." His other collaborations included "Im Gershwin," "Lorenz Hart," "Johnny Mercer," "Dorothy Fields," "Frank Loesser," "Sammy Cahn," E.Y. (Yip) Harburg and Oscar Hammerstein Jr.

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## INSIGHTS

# No Clues in the Case of the Missing Stallion

## 19 Months After Kidnapping in Ireland, Few Believe the \$13-Million Shergar Is Alive

By David Remnick  
Washington Post Service

NEWBRIDGE, Ireland — Were William Butler Yeats still living, his passion for Celtic myth and legend would be satisfied by the story of Shergar.

Without even chatting with a bookie or a barkeep, Yeats would arrive in County Kildare and sense immediately the absence of the \$13 million stallion who won the 1981 Epsom Derby by the greatest margin in the race's history, then walked off with the Irish Sweepstakes Derby before being stolen from the Ballymany Stud Farm 18 miles ago.

The principal owner of Shergar was the Aga Khan, the spiritual leader of the Ismailis, an Islamic sect with 20 million members, mostly in Africa and the Middle East. The sect used to award the Aga Khan his weight in gold and precious gems every year. He owns homes all over the world and has a passion for Rolls-Royce cars. However, negotiations between the kidnappers and the Shergar syndicate broke down after only four days. All subsequent calls to the police and the stud farm were fraudulent.

Police, press and the public in general are almost unanimously agreed that Shergar is dead. A racehorse is too difficult to hide, they say, too difficult to keep healthy without the care of experts. The prevalent theory is that the kidnappers "put down" Shergar after negotiations reached an impasse. No body or other traces have been found and, although the police in the nearby town of Naas continue to investigate all leads, the investigation has dwindled away.

Gone Shergar may be, but he is certainly not forgotten. For months after the kidnapping, some Irish and British newspapers maintained full-time "Shergar bureaus." The police and the endless stream of reporters sought out any lead, no matter how preposterous.

There has been widespread speculation that the outlawed Irish Republican Army needed funds to continue its war against British control of Northern Ireland and kidnapped the horse. But the IRA usually claims responsibility for its actions, no matter how violent. Nobody claimed responsibility for the disappearance of Shergar.

Even now there are constant reminders of Shergar, who was marked by a distinctive white blaze and white stockings. He stood at stud for just one season before the kidnapping, and in October four of his offspring will be offered for sale at the Newmarket auction in England. Shergar was extraordinarily fertile, putting 42 of his 44 mares into foal. He was expected to cover 55 mares in his second season at stud. To have a mare serviced by Shergar, the charge was \$75,000, so the kidnapping cost the owners more than \$4 million in fees for 1983 alone.

Shergar's offspring might inherit his capacity for speed and endurance. Had the horse lived as long as the legendary Northern Dancer, who is 23, he would have sired hundreds of foals.

"Shergar was the greatest of animals," said Stan Cosgrove, the stallion's veterinarian and one of 34 partners in the 40-share syndicate. "Not huge. Not overwhelming at first sight. But just the proper muscular structure, great legs, fabulous bones. A perfect racehorse."

The kidnapping — it's the first time such a thing has ever happened in this country. I never thought anyone would touch a horse in Ireland. Secretariat may have been a better racehorse but I don't think Americans would react to his loss the way we Irish did with Shergar. Never in Ireland."

The kidnapping: The topography of Ireland is much like a shallow bowl. Limestone cliffs ring the lip of the dish and flatlands of peat and meadow lie in the middle. A half-hour's drive west of Dublin, a traveler sees one field after another of horses. The grasses of Kildare have

the color and, to horses fortunate enough to live there, the sweetness of Granny Smith apples. For centuries, horsemen have known that because Ireland's soil is rich in lime, horses bred there develop remarkably sturdy bones, providing the skeletal strength needed to support a thoroughbred's musculature.

The Aga Khan turned down bids as high as \$35 million for Shergar from the Kentucky bloodstock industry. Instead, he preferred to keep the horse in Ireland and reserved six of the 40 shares for himself. In recent years, the Irish tax code has encouraged the breeding industry to compete with the United States and Europe.

BALLYMANY Stud, down the main road from the National Stud and the Curragh Racecourse, is a well-respected, 230-acre (356-kilometer) part of the industry. The Aga Khan and his fellow shareholders

floor room and demanded that Mr. Fitzgerald show them to Shergar's paddock. One of the gunmen, using a two-way radio, called for a double-horse trailer and told Mr. Fitzgerald to help guide the 5-year-old stallion into the vehicle. The trailer drove off with some of the kidnappers at 9 and the rest of the team left the farm with Mr. Fitzgerald an hour later.

The kidnappers told Mr. Fitzgerald they wanted a ransom of \$2.6 million. They said they would kill him and his family if he dared call the Irish police, the Garda. With those instructions freshly understood, the kidnappers dumped Mr. Fitzgerald on the road and sped off. He was frightened, lost. Finally, after realizing he was in Kilkenny, about 20 miles north of Ballymany, Fitzgerald telephoned his brother Des, who drove him back to the farm. Mr. Fitzgerald then called Ghislain Drion, the French stud manager, who lived nearby. Mr. Fitzgerald warned

Gerling guns or drugs past customs officers is one thing; hiding a racehorse is another.

On Feb. 11, the kidnappers said they would leave proof at the Rossmore Hotel on the Dublin-to-Belfast road that Shergar was still alive.

The next day, one of the five shareholders representing the syndicate collected a package at the hotel. It contained several Polaroid photographs of the horse, some of which included a Feb. 11 copy of a Belfast newspaper.

That day, the kidnappers called in the morning, saying they would kill the horse if the ransom was not prepared. They called back at 10:40 P.M., after the photos had been collected. The demands were repeated and the syndicate representative said the shareholders were not satisfied.

"Well, if you are not satisfied, that's it," the caller said and the line went dead. There were no further negotiations.

The Search: Even though calls from the kidnappers had ceased, the police investigation continued with Chief Superintendent Jimmy Murphy in charge.

"Murphy was optimism personified," said Michael O'Mahoney, a syndicate lawyer. "It was the biggest story around and he was at the center. He was like a character out of Mickey Spillane and the press ate it up. Even as the weeks went by with nothing, he kept looking for another angle."

These days, Mr. Murphy has grown weary of the case.

"I've ceased talking about it," he said. "The press made a field day of the case and of me. They always wrote about the horse and not the people whose lives were upset. There was a terrible fear in their houses because of the weapons the kidnappers used."

In the first months after the kidnapping, the police asked tens of thousands of farmers to search for the horse in their stables, barns and fields.

An anonymous caller told the British Broadcasting Corp. that Shergar was somewhere in the Middle East.

A stud-farm employee contended that Mr. Fitzgerald had not been forced to help the kidnappers but was part of the operation.

The police had photographs of three men, known as The Nose, The Jockey and The Guard, who may have been part of the conspiracy.

Three clairvoyants called. One said the horse was in Galway, the second said Kilkenny and the third said Mayo.

One theory had the horse with Colonel Moamer Qaddafi in Libya, another with hippies in southeast Ireland, another with gun runners in Marseille.

It all came to nothing.

"It ceased off after about three months," Mr. Murphy said. "Now I work on many, many things. You have to take into account more serious things. A person's life is involved in a murder, not a horse's. But we keep looking. You can never feel disappointed, though; you have to take into account the lapse of time. We follow up on anything. You can't call the case closed until it is."

The Theories: But for all practical purposes, the case is closed. Lloyd's of London paid \$10.6 million to the owners of Shergar. Stud farms in Kildare increased security measures. All that remains are theories and the possibility that Shergar is still alive.

The Wayne Murty Theory: The Aga Khan had an enemy in the bloodstock world named Wayne Murty, a Kentucky breeder who was fond of saying that he "began with nothing more than a ham sandwich."

In June 1978, Mr. Murty thought he had won the bidding for 56 broodmares owned by a financially embarrassed French breeder and textile magnate, Marcel Boussac.

Three days later, a French court ruled the Aga Khan had won. Mr. Murty, the court decided, had bid \$840,000. The Aga Khan's bid was for \$1.4 million.

Mr. Murty was enraged. He demanded to leave the country with "his" horses, but a bankruptcy court ruled otherwise. The Aga Khan, who owns at least 500 horses in England and France, had won. There were rumors that his gift to the French National Stud of three stallions worth \$90,000 might have influenced the court.

Mr. Murty's defeat and resentment made him a "natural" suspect. But that theory turned out to be nothing but media speculation. There never was any evidence that Mr. Murty played any role in the kidnapping. The police, and eventually the press, dismissed the idea and now contend that Mr. Murty had nothing to do with the kidnapping.

The IRA Theory: This is the official theory, the one held by the police and the Shergar syndicate. It also is the one most people in Kildare believe.

In a report in February to syndicate shareholders, representatives echoed police views that the stallion was probably "kidnapped by the IRA and died shortly afterwards."

Sources close to Ballymany and the police contend that American funding of the IRA had

decreased and the group needed money. A kidnapping would provide quick cash. The source believes that Shergar injured himself and had to be "put down," or that the kidnappers had decided the situation was too perilous and killed the horse in frustration.

The report also contends that the individual who led the kidnapping plot had been high up in the IRA leadership but had since been demoted. The police also tied the Shergar incident with the November 1983 kidnapping of Don Tidy, a wealthy supermarket executive. Mr. Tidy was rescued from an IRA bivouac a month later in Leitrim, a county with many Republican sympathizers. But there is no firm evidence against the IRA.

A New York lawyer who frequently defends IRA members in the United States, was in Ireland at the time of the kidnapping and denies any Republican involvement.

"No one said 'boo' to me about it when I was there," the lawyer said. "I would have heard that was no IRA operation. I'm sure of it."

"The people who say that no Irish group would ever claim responsibility for a horse's death are wrong," he added. "When the Queen's horses were killed in front of Buckingham Palace, the IRA claimed credit. The idea that the IRA needed quick money is debatable, too. It's just not the case."

hoped, and had every reason to believe, that Shergar would have an easy, fecund career.

Security at Ballymany was loose. There was no obvious reason to tighten it. Before the kidnapping, few stud farms bothered with surveillance cameras and elaborate fencing. Only two racehorses have been kidnapped, none in Ireland. Carnage, owned by the Nelson Bunker Hunt of Texas, was stolen by Italian terrorists in the summer of 1975 and a ransom of \$300,000 was asked. Apparently, the ransom was not paid and the horse was discovered in the winter in a holding pen in a butcher's shop in Milan.

The mare Fanfrutche was stolen from her paddock at Claiborne Farm in Kentucky in June 1977 but was found several months later at a farm in Tomkinsville, about 150 miles (240 kilometers) away. The new owners said they had encountered Fanfrutche near their farm and took her in, renaming her "Brandy." The mare, in foal to Secretariat, was returned and no charges were filed.

On Feb. 8, 1983, at about 8:30 P.M., a team of at least six masked gunmen in three vehicles drove up the long path to the main stud building at Ballymany. The gunmen burst into the home of the chief groom, James Fitzgerald. They locked his wife and seven children in a ground-

Mr. Drion not to call the Garda and, at 1 A.M., Mr. Drion tried frantically to reach the Aga Khan.

At about 3 A.M., Mr. Drion finally tracked him down in Switzerland. After a long discussion, the Aga Khan told Mr. Drion that, despite the kidnappers' threats of violence, the police had to be informed. Only at 4 A.M. was Mr. Drion able to reach a government official who lived in Kildare. By the time the matter was finally passed on to the Garda, the sun was up and the kidnappers could have been anywhere.

Mr. Fitzgerald was frightened and confused, and it took the police days to complete a full interrogation.

Four Days in Winter: Around 4 P.M. on Feb. 9, the kidnappers contacted Mr. Drion at Ballymany Stud. Mr. Drion knew it was the kidnappers because they repeated a code word given to Mr. Fitzgerald the night before. The kidnappers cut short the first call, then phoned back an hour later and repeated the original ransom demand.

In subsequent telephone calls, they asked that they be able to call a number in France rather than Ireland. The syndicate stationed a representative at the Paris number.

Although there were various rumors of Shergar's whereabouts, no one thought the horse could have been spirited out of the country.

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CALL  
PETER SMITH

ITT announces the telephone  
that understands what you're saying.

CALLING  
PETER SMITH

And says so.

Telephones with automatic dialling and re-dialling facilities, telephones that operate 'hands-off', telephones that can store many numbers - these are all recent advances in the world of telecommunications technology.

Now ITT has taken this technology one fascinating step forward with the development of an experimental 'telephone' that can understand and respond to naturally spoken commands.

"Call Peter Smith," you say into the

mouthpiece.

"Calling Peter Smith," replies the 'telephone' clearly, and makes the call.

And the amazing thing is that the ITT 'telephone' recognizes anybody's voice. Other speech-recognition computers require extensive training before they can recognize one particular voice.

ITT's 'telephone' understands a wide vocabulary, and can even cope with different words for the same request. "Call," "phone," or "dial" will all be understood. It's

simple to operate and has excellent sound quality and clarity.

When ITT's 'talking phone' eventually comes on to the market, it will have highly practical uses. For example, a physically handicapped person will find such a 'telephone' enormously beneficial.

Once again, ITT research is harnessing high technology to serve human needs.

The best ideas are  
the ideas that help people.

ITT











NYSE Most Actives					
Vol.	High	Low	Last	Change	
IBM	117 1/2	117 1/4	117 1/2	+ 1/4	
AT&T	117 1/2	117 1/4	117 1/2	+ 1/4	
GE	117 1/2	117 1/4	117 1/2	+ 1/4	
Westinghouse	117 1/2	117 1/4	117 1/2	+ 1/4	
General Electric	117 1/2	117 1/4	117 1/2	+ 1/4	
Boeing	117 1/2	117 1/4	117 1/2	+ 1/4	
Rockwell	117 1/2	117 1/4	117 1/2	+ 1/4	
Northrop	117 1/2	117 1/4	117 1/2	+ 1/4	
Lockheed	117 1/2	117 1/4	117 1/2	+ 1/4	
McDonnell Douglas	117 1/2	117 1/4	117 1/2	+ 1/4	

Dow Jones Averages					
Open	High	Low	Last	Change	
Indus	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Trans	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Util	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Comp	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

NYSE Index					
High	Low	Close	Change		
Composite	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Industrials	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Utilities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Finance	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

NYSE Closing					
Vol.	High	Low	Last	Change	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

AMEX Diaries					
Close	Prev.	Change			
Advanced	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Declined	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Unchanged	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Volume	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

NASDAQ Index					
Close	Change	Prev.			
Composite	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Industrials	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Utilities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Finance	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

AMEX Most Actives					
Vol.	High	Low	Last	Change	
IBM	117 1/2	117 1/4	117 1/2	+ 1/4	
AT&T	117 1/2	117 1/4	117 1/2	+ 1/4	
GE	117 1/2	117 1/4	117 1/2	+ 1/4	
Westinghouse	117 1/2	117 1/4	117 1/2	+ 1/4	
General Electric	117 1/2	117 1/4	117 1/2	+ 1/4	

NYSE Diaries					
Close	Prev.	Change			
Advanced	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Declined	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Unchanged	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Volume	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

Odd-Lot Trading in N.Y.					
Buy	Sell	Net			
Aug 31	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Aug 30	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Aug 29	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Aug 28	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

Standard & Poor's Index					
High	Low	Close	Change		
Industrials	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Utilities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Finance	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Composite	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

Dow Jones Bond Averages					
Close	Change	Prev.			
Bonds	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Utilities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Industrials	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

AMEX Stock Index					
High	Low	Close	Change		
Industrials	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Utilities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Finance	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Composite	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

## NYSE Prices Decline Sharply

NEW YORK — Prices on the New York Stock Exchange skidded across a broad front Tuesday in slow post-holiday trading. Analysts said the decline indicated that large investors will not start buying until they see lower interest rates.

The Dow Jones industrial average, which gained 1.10 Friday, skidded 12.03 to 1212.35. The Dow lost 12.15 overall last week but climbed 109.10 points for the month of August.

Declining stocks led advancing ones by a ratio of more than 2 to 1. Volume totaled 62.1 million shares, up from 57.5 million traded Friday, the slowest session in a year.

Prices dropped from the outset as federal funds rates that banks charge overnight rose to 11 1/4 percent from about 11 1/8 percent Friday. The bond market headed lower.

Although the U.S. economy has given signs of slowing, traders were disturbed by a 0.7-percent rise in July construction spending. Many wondered if the slowdown would be enough to drive down interest rates.

The "concerns about interest rates that have plagued the market all year still are in effect," said Jacques Theriot of Smith Barney, Harris Upham. "And I think there is a growing uneasiness about the federal budget deficit."

Treasury Secretary Donald T. Regan said the Reagan administration does not plan to ask for tax increases next year to trim the federal budget deficit.

"Another three or four days like this and the optimism that has been building up will burn off," said Thom R. Brown of Butler & Singer. That, he said, will not be bad because "the

market tends to do better from a base of pessimism."

Carnation Co. was the most active NYSE-listed issue, up 4 to 79 1/2. Nestlé SA reached an agreement to buy Carnation for \$83 a share, or a total of \$3 billion.

Ohio Edison (ex-dividend), heavily traded on Friday, was the second most active issue, off 1 1/4 after blocks of 450,000 shares at 11 1/4 and 450,000 shares at 11 1/8.

Financial Corp. of America, owner of troubled American Savings & Loan, was third, up 1/4 to 54. Reports said FCA's cash-raising measures to ease the S&L firm's liquidity problems were beginning to work.

Petrie Stores was the fourth most active issue, off 1 to 33 1/2 following a block of 750,000 shares at 34.

IBM lost 1 1/4 to 122 1/4 and AT&T to 18 1/4. Japan has picked AT&T as a partner in a five-year program to help the Japanese develop their own computer software. The move is seen as a blow to IBM.

Data General lost 1 1/4 to 56 1/4. Reports said Data General is about to introduce a portable computer. Some analysts question the demand for such a product, according to published reports.

Cullinet Software fell 1 1/4 to 43 1/4. A published report said Cullinet's stock seemed to be overpriced when measured against its earnings.

Among mining stocks, ASA Ltd. shed 1/4 to 52 1/4. Campbell Red Lake 1/4 to 20 1/4. Dome Mines 1/4 to 9 1/4 and Homestake Mining 1/4 to 24 1/4.

NYSE Most Actives					
Vol.	High	Low	Last	Change	
IBM	117 1/2	117 1/4	117 1/2	+ 1/4	
AT&T	117 1/2	117 1/4	117 1/2	+ 1/4	
GE	117 1/2	117 1/4	117 1/2	+ 1/4	
Westinghouse	117 1/2	117 1/4	117 1/2	+ 1/4	
General Electric	117 1/2	117 1/4	117 1/2	+ 1/4	

Dow Jones Averages					
Open	High	Low	Last	Change	
Indus	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Trans	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Util	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Comp	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

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High	Low	Close	Change		
Composite	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
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Utilities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Finance	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

NYSE Closing					
Vol.	High	Low	Last	Change	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

AMEX Diaries					
Close	Prev.	Change			
Advanced	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Declined	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Unchanged	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Volume	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

NASDAQ Index					
Close	Change	Prev.			
Composite	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Industrials	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Utilities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Finance	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

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Vol.	High	Low	Last	Change	
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Composite	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

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Close	Change	Prev.			
Bonds	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
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Util	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Comp	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
NYSE	1217 1/2	1217 1/4	1217 1/2	+ 1/4	

NYSE Index					
High	Low	Close	Change		
Composite	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Industrials	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Utilities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Financials	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Technology	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Healthcare	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Energy	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Consumer Goods	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Real Estate	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Transportation	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Telecommunications	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Media	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Environmental	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Defense	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Government	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
International	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Commodities	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Fixed Income	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Equity	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Options	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Derivatives	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
ETFs	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Mutual Funds	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
REITs	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Structured Products	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Private Equity	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Hedge Funds	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Alternative Investments	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Art Collection	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Real Estate Portfolio	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Commodity Fund	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Global Equity	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
Fixed Income Fund	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
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Derivatives Fund	1217 1/2	1217 1/4	1217 1/2	+ 1/4	
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Options Fund	1217 1/2	1217 1/4			



## BUSINESS ROUNDUP

## Hospital Corp. to Buy Houston Health Firm

**The Associated Press**

NASHVILLE, Tennessee — Hospital Corp. of America announced Tuesday that it will acquire Health Resources Corp. of America, a Houston-based health-care-services company, in a \$130-million transaction.

## Massey Reports 2d Quarter Profit

**Reuters**

TORONTO — Massey-Ferguson Ltd. reported Tuesday a second-quarter profit of \$7.4 million, compared with a loss of \$11.3 million a year ago.

## COMPANY NOTES

Dow Chemical Co. said it paid cash for Unimyl's business in Royal heavy-duty polymers. The amount was not disclosed. Royal polymers are resins used for their resistance to hard knocks and weathering. Applications include recreational-vehicle parts, hot tubs and swimming-pool steps.

Eastern Air Lines denied a published report that a layoff of 500- to 800 nonunion managerial and supervisory personnel would begin this week.

Garden Way Inc., maker of gardening equipment in Troy, New York, has abandoned a \$40-million bid to buy Burnham Corp., citing opposition from the company's chairman, Burnham Bowden. Garden said it would continue its effort to diversify.

ciple to buy Health Resources, which owns three hospitals and operates one other.

Each of the 7.2 million shares of Health Resources stock is to be converted to 0.3989 shares of HCA common stock, for a total of about \$130 million, according to a statement by the two companies.

Thomas F. Frist Jr., the president of HCA, said in a joint statement with LeRoy A. Pesch, the chairman of Health Resources, that HCA also would assume \$200 million of Health Resources' liabilities.

Health Resources owns three hospitals with approximately 1,000 beds in Houston; North Miami, Florida; and Santa Ana, California. The company also operates the John F. Kennedy Memorial Hospital with 333 beds in Atlanta, Florida.

HCA has more than 58,000 beds in the hospitals that it owns or operates.

A final agreement must be approved by regulatory authorities, the directors of HCA and Health Resources directors and shareholders.

## Peugeot Chief Replaced After Fight for Control

**United Press International**

PARIS — Jean-Paul Parayre resigned Tuesday as chairman of Peugeot and was replaced by the company president, Jacques Calvet, ending a two-year battle for control at France's largest privately owned company.

Mr. Parayre, 47, reportedly called a board meeting to announce that he was ending the four-year mandate he started in April that included a power-sharing arrangement with Mr. Calvet.

Reports said Mr. Calvet, 53, former president of Banque Nationale de Paris, had gained popularity among shareholders by chopping 11,500 jobs during the past year and by taking a tough stand against unions and government in announcing plans for a further 13,300 layoffs.

Mr. Parayre, Peugeot's chief executive for seven years, had reportedly threatened to resign if he was not allowed to make senior management changes to reduce Mr. Calvet's influence.

Toyota Motor's plan to set up a \$265-million joint-venture car plant with 11 Taiwan companies has been delayed by a government review of the proposal, Deputy Economics Minister Wu Mei-tsun of Taiwan said. He said the decision was being held up by a deadlock over the percentage of cars to be exported by Toyota.

Vallorec of France and two companies in the Sumitomo group of Japan have purchased Premium Threading Services of Houston, a tubular-steel threading division of Otis Engineering Corp. Sumitomo said Premium's assets are worth about \$30 million. The company, under license to Vallorec since 1977, makes threaded joints, which are used to connect oil well pipes.

## Dutch Firms May Get More Steel Contracts

**By Peter Spinks**

**International Herald Tribune**

THE HAGUE — Such companies as Unilever PLC, Philips NV and DAF Trucks NV may get more orders from Third World countries because of proposals that Dutch development aid be given on condition that more of it be spent in the Netherlands.

The proposals were presented Monday by the minister of development cooperation, Eelco Schuur, with a development budget of 0.91 percent of gross national product, the Netherlands currently is second, behind Norway, in its percentage of giving to the Third World. The gross national product is a measure of the total value of a nation's goods and services.

The government has not disclosed the exact percentages of current development aid being spent through Dutch companies (or through such multinationals as Unilever, which is Anglo-Dutch). Estimates by members of parliament have ranged from 30 to 70 percent. Mrs. Schuur only said that she wants the percentage increased.

Although the Netherlands increased annual contributions to developing nations from 767 million guilders (\$234 million at current rates) in 1970 to 4.40 billion guilders in 1982, for the first time last year's budget dropped, to 4.36 billion guilders.

Responding Monday to frequent complaints that at least one-third of this money was not efficiently spent, Mrs. Schuur proposed more private-sector involvement.

Her suggestions were sharply criticized by some members of parliament, who maintain that about 70 percent of Dutch development aid already goes to Dutch businesses, although the government, while being vague about the exact number, denies that it is that much.

In the Netherlands the benefits of tightening the spending guidelines would be felt not only by multinationals but also by such consulting firms as DHV and NEDCO, as well as by the civil engineers Haskoning BV and de Groot BV, which have grown to rely on Third World business.

## Some Hope Seen for U.S. Steel Firms

(Continued from Page 9)

cent capital investment are also factors.

Their solution is to seek to limit imports to 15 percent of the U.S. market. An industry-supported bill to do just that is now before Congress and a trade complaint has been filed by Bethlehem Steel and the United Steelworkers union.

President Ronald Reagan has until Sept. 24 to act on an International Trade Commission recommendation that would give some import relief, but less than it wants.

Meanwhile, foreign steelmakers, fearful that the Reagan administration, or Congress will limit their sales in the United States, are pouring their products into the United States.

Industry critics reject the idea that limiting imports is the answer for the U.S. steel industry. Reagan administration officials, who oppose the quota bill, say that restricting foreign steel will remove the incentive for the industry to undergo the painful restructuring needed after the decline in steel needs in the 1980s.

Meanwhile, an ominous sign has emerged for U.S. steelmakers: Incoming orders have been dropping since March, and a predicted July and August upturn has not yet fully materialized. Mr. Bradford suggested that the softness in new orders may be the result of fears of a U.S. auto strike. He says parts suppliers apparently are less willing to stockpile steel than car producers themselves.

On the bright side, he sees steel industry productivity climbing, although he disputes estimates that it now matches Japan's. "We believe the 30 percent [cost] disadvantage of the U.S. steelmakers compared to the Japanese has been reduced to about 10 percent," he said.

## BUSINESS PEOPLE

## Indonesia Opens U.K. Bank Office

Bank Ekspor Import Indonesia, a government-owned bank based in Jakarta, has opened a representative office in London, its first in Europe, and named Rudolf H. Mongia chief representative.

The aim is to promote trade between Europe and Indonesia, the bank said.

Richardson-Vicks Inc. has named James M. Kraebber president of its Europe/Africa division, based in Paris. Mr. Kraebber, currently area vice president, has been in charge of the company's French operations since 1975. He will succeed J.R. Markley, who will be appointed an executive vice president of Richardson-Vicks upon his return to the Wilton, Connecticut, headquarters. Both appointments are effective Jan. 1. Richardson-Vicks is a maker of consumer care products in the personal, health and home care fields.

Fuji Bank (Schweiz) AG in Zurich has named Tanehiko Kamiura general manager. Mr. Kamiura moves to Zurich from Hong Kong, where he was deputy managing director of Asia Pacific Capital Corp., a joint venture of Citicorp and Fuji Bank Ltd. of Tokyo. Junjiro Ueda has been appointed to succeed Mr. Kamiura at Asia Pacific.

Mr. Ueda formerly was assistant general manager of international project finance at Fuji Bank in Tokyo.

Morgan Guaranty Trust Co. of New York has appointed K. Peter von Elen vice president and general manager of its Zurich office. He succeeds Sean McCarthy, who becomes executive director of Australia United Corp., an Australian merchant bank in which Morgan Guaranty has a 45-percent holding, in its Sydney office. Mr. von Elen formerly was based in Frankfurt.

North Bank PLC has named Barry Grant, John H. Simpson and Stewart G. Smith directors. Mr. Grant is manager of the bank's Singapore branch; Mr. Simpson managing director of its Hong Kong-based subsidiary, Nordic Asia Ltd.; and Mr. Smith responsible for leasing and project finance in the London head office. In addition, Christopher Beaton-Hird joins Nordic Bank from Morgan Guaranty in London. He will have responsibility for Nordic Bank's "reconstituted" U.K. credits department.

Standard Chartered Bank PLC of London has named John K. Shield as managing director of its Jersey-based subsidiary, Standard Chartered Trust (C.I.) Ltd. Mr. Shield, previously with Banque Bruxelles Lambert in Jersey, succeeds J.C. Clark, who has left the bank.

where he was assistant general manager of Morgan Guaranty's German offices.

Grindlays Bank has named G.W.W. Cunningham regional director for South Asia. Mr. Cunningham, who previously was in the bank's London headquarters, will be based in Bombay and be responsible for the group's business in India, Bangladesh and Sri Lanka. He succeeds Ashok Dayal.

ASEA AB, the Swedish electrical and electronic engineering group, said its president and chief executive officer, Percy Barnevik, has succeeded Lord Eroll as chairman of ASEA Ltd., its London-based unit. Lord Eroll will continue to serve the group as general adviser.

Handelsbanken Midland Bank of Geneva has opened a branch in Lugano and appointed Antonio Grisanti manager. He previously was manager of the Lugano branch of Banque Indosuez (Suisse). Handelsbanken Midland is 85-percent owned by London-based Midland Bank.

United Gulf Bank has transferred Ali I. Shaker from its Bahrain headquarters to London, where he will serve as vice president and representative for Britain and Europe. He succeeds Peter T. Beneville, who left the bank. Previously, Mr. Shaker was head of the multi-national and financial institutions division in the headquarters.

Mitsui Trust Finance (Hong Kong) Ltd. has appointed Hideo Takakura managing director, succeeding Aisuke Ozawa, who resigned. Mr. Takakura previously was general manager of the international finance department of Mitsui Trust & Banking Co., the Tokyo-based parent.

North Bank PLC has named Barry Grant, John H. Simpson and Stewart G. Smith directors. Mr. Grant is manager of the bank's Singapore branch; Mr. Simpson managing director of its Hong Kong-based subsidiary, Nordic Asia Ltd.; and Mr. Smith responsible for leasing and project finance in the London head office. In addition, Christopher Beaton-Hird joins Nordic Bank from Morgan Guaranty in London. He will have responsibility for Nordic Bank's "reconstituted" U.K. credits department.



American Express International Banking Corp., the international banking arm of American Express Co., the New York-based financial services concern, has appointed its vice chairman, Alger B. (Duke) Chapman, to head its expanded global private banking business from London. Mr. Chapman, 52, will be in charge of the combined operations of AEIBC and Trade Development Bank of Geneva, whose non-U.S. banking operations were acquired by AEIBC early last year for \$250 million. The banks have already merged their operations in France, Uruguay and Panama and will combine their British operations by the end of the year.

tion, Christopher Beaton-Hird joins Nordic Bank from Morgan Guaranty in London. He will have responsibility for Nordic Bank's "reconstituted" U.K. credits department.

Standard Chartered Bank PLC of London has named John K. Shield as managing director of its Jersey-based subsidiary, Standard Chartered Trust (C.I.) Ltd. Mr. Shield, previously with Banque Bruxelles Lambert in Jersey, succeeds J.C. Clark, who has left the bank.

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## Saving Firms in U.K., France

(Continued from Page 9)

temporary protection from its creditors.

Under the current system, the bank usually appoints a liquidator or a receiver — a chartered accountant — whose main job is to sell off the company's assets to pay off the company's bank borrowings. "When you are a receiver you make some uncommercial decisions," says Mr. Bond, who has been in the receivership business for 20 years. "We don't like carrying on trading for a long time, we usually don't take long-term business decisions. That will change under the new system."

Chartered accountants who are

now receivers and liquidators expect to get the new business. But there are already agencies advertising management skills and cash to back ailing companies.

In fact, the problem with the British proposal is exactly that: finding the cash. Under the current system, the bank is presumably ready to pay off a company's wage and electricity bills because the receiver appointed by the bank is acting in the bank's interest. But will the bank be willing, under the new system, to finance an administrator who is looking after everybody else's interest as well — other creditors, customers and the long-term viability of the company.

## Floating Rate Notes

Sept. 4

Dollar					
Issuer/Min/Con/Next	Coupon	Next	Bid	Ask	
Alcoa 10/15/84	13 1/2	10/10	95.50	97.00	
Alcoa 11/15/84	13 1/2	10/10	95.50	97.00	
Alcoa 12/15/84	13 1/2	10/10	95.50	97.00	
Alcoa 1/15/85	13 1/2	10/10	95.50	97.00	
Alcoa 2/15/85	13 1/2	10/10	95.50	97.00	
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Alcoa 4/15/00	13 1/2	10/10	95.50	97.00	
Alcoa 5/15/00	13 1/2	10/10	95.50	97.00	
Alcoa 6/15/00	13 1/2	10/10	95.50	97.00	
Alcoa 7/15/00	13 1/2	10/10	95.50	97.00	
Alcoa 8/15/00	13 1/2	10/10	95.50	97.00	
Alcoa 9/15/00	13 1/2	10/10			







Sept. 4

**NASDAQ National Market Prices**

[illegible]

Vol. of 4 P.M. \_\_\_\_\_ 5,000,000  
Prev. 4 P.M. vol \_\_\_\_\_ 4,970,000

**Tables include the nationwide prices up to the closing on Wall Street**

[illegible]











